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ST. MARY COUNCIL ON AGING, INC.
Franklin, Louisiana

Financial Report

Year Ended June 30, 1987

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

SEC 17 1991

Release Date

15 JUL 1987

TABLE OF CONTENTS

| | Page |
|--|-------|
| Independent Auditor's Report | i-3 |
| GENERAL PURPOSE FINANCIAL STATEMENTS | |
| (COMBINED STATEMENTS - OVERVIEW) | |
| Combined balance sheet - all fund types and account groups | 4 |
| Combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types | 5 |
| Combined statement of revenues, expenditures, and changes in fund balances - budget (GAAP Basis) and actual - all governmental fund types | 6 |
| Notes to Financial Statements | 7-17 |
| SUPPLEMENTAL INFORMATION | |
| SCHEDULES OF INDIVIDUAL FUNDS | |
| Statement of revenues, expenditures, and changes in fund balances - general fund | 20 |
| Combining statement of revenues, expenditures, and changes in fund balances - all special revenue funds | 21-27 |
| Statement of expenditures - budget (GAAP Basis) and actual - all special revenue funds | 25-26 |
| INTERNAL CONTROL AND COMPLIANCE | |
| Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards | 28-29 |
| OTHER SUPPLEMENTARY INFORMATION | |
| Schedule of Changes in General Fixed Assets | 29 |
| Schedule of Corrective Action Taken on Prior Year Findings | 30 |
| Schedule of Questioned Costs | 31 |
| Schedule of Disbursements to Board Members | 32 |
| Exit Conference | 33 |

DARNALL, SIKES & FREDERICK

a corporation of Louisiana Public Accountants

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Report of Darnall, Sikes & Frederick, Inc.

1. Mary Council on Aging, Inc.
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Independent Auditor's Report

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

We have audited the accompanying general purpose financial statements of the St. Mary Council on Aging, Inc. (a nonprofit organization), as of and for the year ended June 30, 1997. 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 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 State and Local Governments." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the St. Mary Council on Aging, Inc. as of June 30, 1997, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated August 8, 1997 on our consideration of the St. Mary 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.

REPORT OF
DARNALL, SIKES & FREDERICK, INC.
A CORPORATION OF LOUISIANA
PUBLIC ACCOUNTANTS
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Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the St. Mary Council on Aging, Inc. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Bogalusa City, Louisiana
August 8, 1950

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

DL, 1987 CORP. IN BANK, INC.

Condensed Balance Sheet - All Fund Types and Account Groups
June 30, 1987

| | Governmental Fund Types | | Proprietary System | | Total of Other Funds |
|---|----------------------------|--------------------|--------------------|-------------------|-------------------------|
| | General | Special Revenue | Plant | Long Term Debt | |
| ASSETS | | | | | |
| Cash | \$367,442 | \$47,876 | \$ - | \$ - | \$415,318 |
| Prepaid expensal taxes | 1,889 | - | - | - | 1,889 |
| Due from other agencies | - | 5,280 | - | - | 5,280 |
| Other receivables | 5,249 | - | - | - | 5,249 |
| Debt fee | - | 8,176 | - | - | 8,176 |
| Fixed assets | - | - | 100,000 | - | 100,000 |
| Amount to be provided for retirement of general long term debt | - | - | - | 1,752 | 1,752 |
| Total assets | \$374,579 | \$61,332 | \$100,000 | \$1,752 | \$537,663 |
| LIABILITIES AND FUND EQUITY | | | | | |
| LIABILITIES | | | | | |
| LONG TERM DEBT | | | | | |
| Accrued interest payable | \$ - | \$ - | \$ - | \$1,752 | \$1,752 |
| Total Long Term Debt | - | - | - | 1,752 | 1,752 |
| Fund Equity | | | | | |
| Investment in Fixed Assets | - | - | 100,000 | - | 100,000 |
| Fund Reserves | | | | | |
| Unexpended - unapportioned | \$47,175 | - | - | - | \$47,175 |
| Reserved for future expensal taxes | - | 41,332 | - | - | 41,332 |
| Reserved for general expensal taxes | 1,889 | - | - | - | 1,889 |
| Reserved for payment of utility bills | 5,000 | - | - | - | 5,000 |
| Total Fund Reserves | \$54,064 | \$41,332 | - | - | \$95,396 |
| Total Fund Equity | \$54,064 | \$41,332 | \$100,000 | - | \$195,396 |
| Total Liabilities and Fund Equity | \$108,164 | \$82,664 | \$100,000 | \$1,752 | \$392,580 |

The accompanying notes are an integral part of this statement.

ST. BART COUNCIL ON AGING, INC.

Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances - All Environmental Fund Types
Year Ended June 30, 1997

| | General | Special Estates | Total Commemorative Fund |
|--|-----------|--------------------|--------------------------------|
| Revenues | | | |
| Intergovernmental | \$ - | \$ 210,194 | \$ 210,194 |
| Program | - | 67,848 | 67,848 |
| Local and miscellaneous | 61,832 | 62,393 | 124,225 |
| Total revenues | 61,832 | 339,435 | 401,267 |
| Expenditures | | | |
| Current - | | | |
| Salaries | - | 262,057 | 262,057 |
| Fringe | - | 39,342 | 39,342 |
| Travel | 68 | 18,289 | 18,357 |
| Printing services | 3,445 | 42,147 | 45,592 |
| Printing supplies | 2,381 | 18,696 | 21,077 |
| Other costs | 2,324 | 1,567 | 3,891 |
| Capital outlay | 28,623 | 1,485 | 30,108 |
| Total expenditures | 34,841 | 363,481 | 401,322 |
| Excess (deficiency) of revenues over expenditures | 26,991 | (23,046) | 3,945 |
| Other financing sources (uses) | | | |
| Operating transfers in | - | 180,537 | 180,537 |
| Operating transfers out | (128,322) | (128,582) | (256,904) |
| Total other financing sources (uses) | (128,322) | 51,955 | (76,367) |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (101,331) | 28,909 | (72,422) |
| Fund balances | | | |
| Beginning of year | 180,912 | 68,326 | 249,238 |
| End of year | 77,581 | \$ 61,312 | \$ 138,893 |

The accompanying notes are an integral part of this statement.

NY 1987 COMBIL ON 4000, 140.

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget 1987, 1987-1991 and Actual - All Governmental Fund Types Year Ended June 30, 1987

| | General Fund | | | Special Revenue Funds | | |
|--|--------------|-----------|------------------------------------|-----------------------|------------|------------------------------------|
| | Budgeted | Actual | Variance - Favorable (Unfavorable) | Budgeted | Actual | Variance - Favorable (Unfavorable) |
| Revenues | | | | | | |
| Intergovernmental Program | \$ - | \$ - | \$ - | \$ 209,368 | \$ 210,396 | \$ 1,028 |
| Local and Miscellaneous | 28,737 | 31,862 | 3,125 | 26,000 | 27,828 | 1,828 |
| Total Revenues | 28,737 | 31,862 | 3,125 | 235,368 | 238,224 | 2,856 |
| Expenditures | | | | | | |
| Current - | | | | | | |
| Salaries | - | - | - | 250,141 | 252,937 | 2,796 |
| Taxes | - | - | - | 25,377 | 25,244 | (133) |
| Travel | 49 | 49 | - | 17,040 | 16,799 | (241) |
| Printing services | 7,449 | 7,449 | 0.00 | 17,086 | 16,544 | (542) |
| Operating supplies | 111 | 7,728 | 7,617 | 15,000 | 16,426 | 1,426 |
| Other costs | 1,492 | 2,254 | 762 | 10,400 | 7,547 | (2,853) |
| Other net | 25,481 | 25,481 | - | 2,422 | 2,422 | - |
| Total expenditures | 28,737 | 30,734 | 7,003 | 298,386 | 295,234 | (3,152) |
| Excess (deficiency) of revenues over expenditures | 0.00 | 1,128 | 1,128 | (63,018) | (57,010) | 6,008 |
| Other financing sources (uses) | | | | | | |
| Operating transfer in | - | - | - | 200,000 | 190,000 | (10,000) |
| Operating transfer out | (127,000) | (127,000) | 0.00 | (130,000) | (130,000) | 0.00 |
| Total other financing sources (uses) | (127,000) | (127,000) | 0.00 | 70,000 | (40,000) | 110,000 |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | 150,237 | 177,128 | 26,891 | 11,000 | 11,000 | 0.00 |
| Fund Balances | | | | | | |
| Beginning of year | 200,537 | 200,537 | 0.00 | 40,326 | 40,326 | 0.00 |
| End of year | 350,774 | 377,665 | 26,891 | 51,326 | 51,326 | 0.00 |

The accompanying notes are an integral part of this statement.

ST. BASS COUNCIL ON AGING, INC.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

A. Preparation of Statements

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

The accompanying financial statements conform to generally accepted accounting principles for state and local governments. These statements have also incorporated any applicable requirements set forth by Standards 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.

B. Organization

Act 450 of 1984, authorized the charter of voluntary councils on aging for the welfare of the aging people in their respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. Each council is a non-profit corporation which must comply with policies and regulations established by the Governor's Office of Elderly Affairs, the State Agency which provides the Council with most of its revenues. The Council also receives revenues from other federal, state, and local government agencies which may impose certain restrictions upon how the Council can use the money that they have provided.

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

ST. MARY COUNCIL ON AGING, INC.

Notes to Financial Statements

The primary function of the Council on Aging is to improve the quality of life for the parish's elderly and to provide services to the elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Such services include providing meals, nutritional education, information and referral services, legal assistance, homemaker services, operating senior centers and transportation. A Board of Directors consisting of 14 members who serve three-year terms, govern the Council.

C. Financial Reporting Entity

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

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

Governmental Fund Types

Governmental funds are those through which most governmental functions of the Council are financed. The acquisition, use, and balance of the Council's responsible financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position, rather than upon net income determination. The following are the Council's governmental fund types:

General Fund

The General Fund is the general spending 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 sources from which they are derived.

MT. BERRY COUNCIL ON AGING, INC.

Notes to Financial Statements

The following fund comprises the Council's General Fund:

Local

Local funds are received from various local sources; such funds are being restricted to any special use.

Special Revenue Funds

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

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

Title III-B Supportive Services Fund

Title III-B funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs which "passes through" the funds to the Council. This program provides various services, in-home services, community services, legal assistance, and transportation for the elderly.

Title III C-1 Congregate Meals Fund

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

Title III C-2 Home Delivered Meals Fund

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

ST. ROXY COUNCIL ON AGING, INC.

Notes to Financial Statements

Title III-B Fund

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

Title III-F Fund

The Title III-F Fund is used to account for funds used for disease prevention and health promotion activities including (1) equipment and materials (such as weigh scale, educational materials, and exercise equipment), (2) home injury control, (3) medication management, (4) mental health, (5) nutrition (assessment, counseling, counseling and education). The law directs the state agency administering this program to "give priority to areas of the state which are medically underserved and in which there are a large number of older individuals who have the greatest economic and social need." Title III-F funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

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.

ST. BARY COUNCIL ON AGING, INC.

Notes to Financial Statements

Subsidies Fund

The Subsidies Program was established to investigate and resolve complaints of any relevant nature on behalf of individuals, especially aged individuals who are residents of long-term care facilities. Subsidies Funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council.

ECOA (Act 715)

ECOA (Act 715) Funds are appropriated for the Governor's Office of Elderly Affairs by the Louisiana Legislature for reimbursement to the Council on Aging. These funds are accounted for in a separate special revenue fund to facilitate tracking of this resource and to ensure its utilization in the budget period. The funds are unrestricted in application and are transferred from this Special Revenue Fund for appropriate application in the General Fund and other Special Revenue Funds.

United Way Fund

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

Medicaid Waiver Fund

The Medicaid Waiver Fund is used to account for funds which are used to provide services that will meet the needs of those diversified or deinstitutionalized beneficiaries whose disabilities preclude the acquisition of certain independent living skills related to the activities of daily living.

Miscellaneous Grant

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

ST. MARY COUNCIL ON AGING, INC.

Notes to Financial Statements

Audit Fund

The Audit Fund is used to account for expenditures associated with the cost of having an annual audit of the Council's financial statements.

Section 18

Section 18 funds are provided by the United States Department of Transportation through the Louisiana Department of Transportation and Development. Funds received by the Council are based on actual operating costs of providing transportation services to rural residents within the parish.

Account Groups

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

General Fixed Assets

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

General Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. The General Long-Term Debt Account Group shows only the measurement of financial position and is not involved with measurement of results of operations.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

ST. MARK COUNCIL ON AGING, INC.

Notes to Financial Statements

The governmental fund types use a financial resources measurement basis and are accounted for using the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual, i.e., when they become measurable and available. Intergovernmental revenues are considered susceptible to accrual. Measurable means the amount of transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting, when the related fund 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 classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables and payables.

G. Budget Policy

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

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

The Executive Director prepares a proposed budget based on the funding levels provided by OGEA and then submits the budget to the Board of Directors for approval.

The Board of Directors reviews and adopts the budget before June 30 of the current year for the next year.

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

All budgetary appropriations lapse at the end of each fiscal year.

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

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

VT. STATE COUNCIL ON ADMIN., INC.

Notes to Financial Statements

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

The Council may transfer funds between line items as often as required but must obtain prior approval from the Governor's Office of Fiscal Affairs for funds received under grants from this state agency.

Expenditures cannot legally exceed appropriations at the individual fund level.

B. Total Column on Combined Statements - Overview

Total columns on the combined statements - overview are captioned "Memorandum Only" to indicate that they are presented only to help with financial analysis. Data in these columns do not present financial positions in conformity with generally accepted accounting principles. Revisions in such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

1. Fixed Assets

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

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

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

All fixed assets are stated at historical cost or estimated historical cost, if actual historical cost is not available. The estimated amounts of fixed assets are immaterial to these financial statements. Limited fixed assets are stated at their estimated fair market value on the date donated.

2. Interest-bearing Expenses

Interest-bearing deposits are stated at cost, which approximates market.

ST. MARY COUNCIL ON AGING, INC.

Notes to Financial Statements

8. Annual and Sick Leave

The Council's policy allows full time employees to carry forward 5 days of unused sick leave and 5 days of annual leave beyond the fiscal year end. Accumulated unused annual leave was \$3,750 at June 30, 1997.

Note 9 Cash

Under state law, the Council may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Council may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1997, the Council has cash (bank balances) totaling \$408,344, as follows:

| | |
|-------------------------|-----------|
| Demand deposits | \$ 98,987 |
| Certificates of deposit | 313,357 |
| Total | \$408,344 |

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting 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 bank. 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. Report balances (bank balances) at June 30, 1997 are as follows:

| | |
|---------------|-----------|
| Bank balances | \$422,398 |
|---------------|-----------|

At June 30, 1997, the deposits are secured as follows:

| | |
|-------------------------------------|---------|
| Federal deposit insurance | 422,398 |
| Unsecured deposits at June 30, 1997 | \$ - |

Note 10 Board of Directors' Compensation

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

CT. BOND COUNCIL ON AGING, INC.

Notes to Financial Statements

Note 4 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 5 Operating Transfers In, Out

| | Funds Transferring To: | | | | | Total |
|-------------------------|------------------------|------------------|----------------|----------------|---------------|------------|
| | Title 111-C-1 | Title 111-C-2 | Title 111-B | Title 111-D | Miscellaneous | |
| Funds transferring out: | | | | | | |
| 111 C-1 | \$ - | \$ - | \$ 18,585 | \$ - | \$ - | \$ 18,585 |
| Section 58 | - | - | 17,365 | - | - | 17,365 |
| Miscellaneous grant | - | - | 4,580 | - | - | 4,580 |
| Act 325 | - | 11,728 | - | - | - | 11,728 |
| United way | - | 18,687 | 24,600 | - | - | 43,287 |
| Senior Center | - | - | 34,586 | - | - | 34,586 |
| General | 288 | 21,891 | 24,632 | 568 | 3,326 | 72,505 |
| | \$ 288 | \$ 21,891 | \$ 138,003 | \$ 568 | \$ 3,326 | \$ 199,537 |

Note 6 Reserved Fund Balance

The Council receives funding from various utility companies for the restricted purpose of alleviating hardship conditions related to the payment of utility bills for elderly individuals. Funds available at year-end for this purpose have been reserved accordingly. The following summary outlines the activity by fund source for the year ended June 30, 1987:

| | Balance July 1, 1986 | Revenue July 1, 1986 - June 30, 1987 | Disbursements July 1, 1986 - June 30, 1987 | Balance June 30, 1987 |
|-------------|----------------------------|--|--|-----------------------------|
| 14004 | \$1,641 | \$1,177 | \$1,348 | \$1,270 |
| Go-by funds | 1,382 | 138 | 200 | 1,320 |
| | \$3,023 | \$1,315 | \$1,548 | \$2,600 |

ST. EAST COUNCIL ON AGING, INC.

Notes to Financial Statements

Note 7 Judgments, Claims, and Similar Contingencies

The Council receives revenues from various Federal and State grant programs which are subject to final review and approval as to appropriability 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.

Note 8 Economic Dependency

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

Note 9 Changes in Long-Term Debt

| | Balance June 30, 1978 | Additions | Retirements | Balance June 30, 1977 |
|----------------------|-----------------------------|----------------|----------------|-----------------------------|
| Accrued annual lease | <u>\$5,634</u> | <u>\$8,500</u> | <u>\$5,000</u> | <u>\$9,134</u> |

Note 10 Excess Expenditures Over Appropriations

At year-end, the Council has several funds whose expenditures exceeded appropriations. The individual funds and the amount of the excess expenditures are:

| | |
|-----------------|----------------|
| General Fund | <u>\$7,436</u> |
| Title III - 0-1 | <u>\$ 817</u> |
| Title III - 0 | <u>\$ 355</u> |

SUPPLEMENTAL INFORMATION

SCHEDULES OF INDIVIDUAL FORMS

ST. MARY COUNCIL ON AGING, INC.

Statement of Revenues, Expenditures, and
Changes in Fund Balance - General Fund
Year Ended June 30, 1987

| | |
|--|------------------|
| Local and miscellaneous | |
| St. Mary Parish Government | \$ 21,000 |
| City of Baton Rouge | 3,500 |
| City of Franklin | 4,000 |
| City of Morgan City | 4,000 |
| Town of Berwick | 2,000 |
| Food storage | 2,000 |
| Miscellaneous | 0,314 |
| Contributions | 10,707 |
| Utility Assistance | 1,313 |
| Interest | <u>10,522</u> |
| Total revenues | <u>61,356</u> |
| Expenditures | |
| Current - | |
| Travel | 00 |
| Operating services | 1,445 |
| Operating supplies | 2,001 |
| Other costs | 2,054 |
| Capital outlay | <u>20,613</u> |
| Total expenditures | <u>26,113</u> |
| Excess of revenues over expenditures | 35,243 |
| Other financing uses | |
| Operating transfer out | <u>(10,322)</u> |
| Deficiency of revenues over expenditures and other uses | (10,322) |
| Fund balance | |
| Beginning of year | <u>300,000</u> |
| End of year | <u>\$289,678</u> |

U. S. WEST GROUP OF COMPANIES, INC.

Condensed Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Special Revenue Funds
Year Ended June 30, 1997

| | 1996 | 1996 | 1995 | 1994 | 1993 | 1992 | 1991 |
|--|------------------|-------------------|-------------------|----------------|-----------------|-----------------|-------------------|
| | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) |
| Revenues | | | | | | | |
| Intergovernmental Programs | \$ 34,041 | \$ 25,000 | \$ 25,440 | \$1,000 | \$0,000 | \$ 0,000 | \$ 0,000 |
| Fees and other income | 25,999 | 25,000 | 25,000 | - | - | - | - |
| Total revenues | <u>60,040</u> | <u>50,000</u> | <u>50,440</u> | <u>1,000</u> | <u>0,000</u> | <u>0,000</u> | <u>0,000</u> |
| Expenditures | | | | | | | |
| Salaries | 163,417 | 16,000 | 69,700 | 0 | - | - | 2,000 |
| Fringe | 17,100 | 2,000 | 7,100 | 171 | - | - | 0 |
| Travel | 2,100 | 0 | 10,000 | 1,000 | - | - | 0 |
| Operational supplies | 20,000 | 5,000 | 5,000 | 0 | - | - | 0 |
| Operational supplies | 17,100 | 0 | 1,500 | 0 | - | - | 0 |
| Other costs | 7,000 | 0 | 0 | - | - | - | 0 |
| Total expenditures | <u>226,717</u> | <u>23,000</u> | <u>93,300</u> | <u>1,171</u> | <u>0,000</u> | <u>0,000</u> | <u>2,000</u> |
| Excess (deficiency) of revenues over expenditures | <u>(166,677)</u> | <u>(7,000)</u> | <u>(42,860)</u> | <u>(771)</u> | <u>0,000</u> | <u>0,000</u> | <u>(2,000)</u> |
| Other financing sources (uses) | | | | | | | |
| Operating transfers in | 100,000 | 0 | 10,000 | 0 | - | - | 0,000 |
| Operating transfers out | - | (10,000) | - | - | - | - | (10,000) |
| Total other financing sources (uses) | <u>100,000</u> | <u>(10,000)</u> | <u>10,000</u> | <u>0</u> | <u>0,000</u> | <u>0,000</u> | <u>(10,000)</u> |
| Excess (deficiency) of revenues and other financing over expenditures and other uses | - | (17,000) | (32,860) | (771) | 0,000 | 0,000 | (12,000) |
| Fund balances, beginning of year | - | 0 | 0 | 0 | 0 | 0 | 0 |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ -17,000</u> | <u>\$ -32,860</u> | <u>\$ -771</u> | <u>\$ 0,000</u> | <u>\$ 0,000</u> | <u>\$ -12,000</u> |

| Oil and Gas Income | Oil, Gas | Oil and Gas | Refined Products | Services % | Total |
|-----------------------|---------------|---------------|---------------------|---------------|---------------|
| \$ 4,500 | \$ 11,570 | \$ - | \$16,794 | \$ 17,540 | \$ 44,804 |
| <u>6,100</u> | <u>11,570</u> | <u>11,700</u> | <u>32,794</u> | <u>17,540</u> | <u>79,704</u> |
| - | - | - | 20,000 | - | 20,000 |
| - | - | - | 1,700 | - | 1,700 |
| - | - | - | 571 | - | 571 |
| - | - | - | 1,500 | - | 1,500 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>23,771</u> | <u>-</u> | <u>23,771</u> |
| \$ 6,100 | \$ 11,570 | \$ 11,700 | \$ 56,565 | \$ 17,540 | \$ 103,475 |
| \$ 6,100 | \$ 11,570 | \$ 11,700 | \$ 56,565 | \$ 17,540 | \$ 103,475 |
| - | - | 100 | 10,400 | - | 10,500 |
| <u>-</u> | <u>-</u> | <u>1,100</u> | <u>20,100</u> | <u>-</u> | <u>21,200</u> |
| \$ - | \$ - | \$ 1,200 | \$ 76,665 | \$ - | \$ 77,865 |

ST. BARY COUNCIL ON AGING, INC.

Statement of Expenditures - Budget (GAAP Basis) and Actual -
All Special Revenue Funds
Year Ended June 30, 1997

| | Budgeted | Actual | Variance - Favorable (Unfavorable) |
|----------------------|------------------|------------------|--|
| Title III-B | | | |
| Salaries | \$147,423 | \$149,447 | \$ 2,024 |
| Fringe | 37,647 | 47,124 | (9,477) |
| Travel | 3,881 | 3,538 | 343 |
| Operating services | 35,355 | 50,367 | (15,012) |
| Operating supplies | 13,309 | 17,538 | (4,229) |
| Other costs | 20,680 | 7,082 | 13,598 |
| | <u>\$257,415</u> | <u>\$275,706</u> | <u>\$ 18,291</u> |
| Title III-C-1 | | | |
| Salaries | \$ 18,185 | \$ 18,068 | \$ 117 |
| Fringe | 3,132 | 3,132 | (0) |
| Travel | 500 | 500 | (0) |
| Operating services | 2,104 | 1,938 | 166 |
| Operating supplies | 421 | 493 | (72) |
| Other costs | - | 92 | (92) |
| | <u>\$ 23,142</u> | <u>\$ 23,239</u> | <u>\$ 97</u> |
| Title III-C-2 | | | |
| Salaries | \$ 68,001 | \$ 69,751 | \$ 1,750 |
| Fringe | 7,324 | 7,527 | (203) |
| Travel | 14,789 | 13,570 | 1,219 |
| Operating services | 8,031 | 5,850 | 2,181 |
| Operating supplies | 1,888 | 1,369 | 519 |
| Other costs | - | 284 | (284) |
| | <u>\$ 99,534</u> | <u>\$ 99,451</u> | <u>\$ 83</u> |
| Title III-E | | | |
| Salaries | \$ 593 | \$ 880 | \$ (287) |
| Fringe | 42 | 111 | (69) |
| Travel | 1,904 | 1,894 | 10 |
| Operating services | 133 | 130 | 3 |
| Operating supplies | 25 | 21 | 4 |
| | <u>\$ 2,517</u> | <u>\$ 2,847</u> | <u>\$ (330)</u> |

ST. BARY COUNCIL ON ACING, INC.

Statement of Expenditures - Budget (GAAP Basis) and Actual -
All Special Revenue Funds
Year Ended June 30, 1977

| | Budgeted | Actual | Variance - Favorable (Unfavorable) |
|-----------------------|-----------------|-----------------|--|
| Title III-K | | | |
| Capital outlay | \$ 3,485 | \$ 3,485 | \$ - |
| | <u>\$ 3,485</u> | <u>\$ 3,485</u> | <u>\$ -</u> |
| Outcomes | | | |
| Salaries | \$ 7,187 | \$ 7,084 | \$ 113 |
| Fringe | 485 | 483 | 12 |
| Travel | 324 | 325 | (10) |
| Operating services | 325 | 426 | 19 |
| Operating supplies | 88 | 88 | - |
| | <u>\$ 8,011</u> | <u>\$ 8,376</u> | <u>\$ 365</u> |
| Medical Center | | | |
| Salaries | \$26,848 | \$26,848 | \$ - |
| Fringe | 1,739 | 1,739 | - |
| Travel | 171 | 171 | - |
| Operating services | <u>1,528</u> | <u>1,528</u> | <u>-</u> |
| | <u>\$29,376</u> | <u>\$29,376</u> | <u>\$ -</u> |

**INTERNAL CONTROL
AND
COMPLIANCE**

DARNALL, SIKES & FREDERICK

a partnership of certified public accountants

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August 2, 1997, 2004, 2005, 2006

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Houston 4, Texas 77002

Houston 5, Texas 77002
Houston 6, Texas 77002
Houston 7, Texas 77002

Houston 8, Texas 77002
Houston 9, Texas 77002
Houston 10, Texas 77002

Houston 11, Texas 77002
Houston 12, Texas 77002
Houston 13, Texas 77002

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

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

We have audited the general purpose financial statements of the St. Mary Council on Aging, Inc., as of and for the year ended June 30, 1997, and have issued our report thereon dated August 8, 1997. We have conducted our audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control over Financial Reporting

In planning and performing our audit, we considered the St. Mary Council on Aging, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over reporting and its operations that we consider to be reportable conditions. Reportable conditions involve matters leading to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the St. Mary Council on Aging, Inc.'s ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements.

STATE OF TEXAS
COUNTY OF HARRIS
DARNALL, SIKES & FREDERICK
CERTIFIED PUBLIC ACCOUNTANTS

Judgments, Segregation of Accounting Functions

Finding:

Due to the small number of accounting personnel, the Council did not have adequate segregation of functions within the accounting system.

Recommendation:

Based on the size of the operation and the cost-benefit of additional accounting personnel, it may not be feasible to achieve complete segregation of duties.

Response:

No response is considered necessary.

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 accounts 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. Our consideration of the internal control structure over financial reporting would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is a material weakness.

This report is intended for the information of the board of directors and management. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sims & Frederick

A Corporation of Certified Public Accountants

Morgan City, Louisiana
August 8, 1987

OTHER SUPPLEMENTARY INFORMATION

THE BART COUNCIL ON AGING, INC.

Schedule of Changes in General Fixed Assets
Year Ended June 30, 1997

| | Balance June 30, 1996 | Additions | Deletions | Balance June 30, 1997 |
|--|-----------------------------|-----------------|-----------------|-----------------------------|
| General fixed assets, at cost: | | | | |
| Furniture & fixtures | \$ 38,734 | \$ 3,499 | \$ 1,867 | \$ 39,366 |
| Vehicles | <u>38,332</u> | <u>26,813</u> | <u>15,838</u> | <u>49,307</u> |
| Total general fixed assets | <u>\$ 77,066</u> | <u>\$30,312</u> | <u>\$17,705</u> | <u>\$89,673</u> |
| Investment in general fixed assets: | | | | |
| Title III B | \$ 8,450 | \$ - | \$ - | \$ 8,450 |
| Title III C-1/C-2 | 1,876 | - | - | 1,876 |
| Title III F | 3,435 | 3,685 | - | 7,120 |
| Senior Center | 8,810 | - | - | 8,810 |
| FOGA | 608 | - | - | 608 |
| Lease and other | <u>55,821</u> | <u>36,633</u> | <u>14,795</u> | <u>77,659</u> |
| Total investments in general fixed assets | <u>\$ 88,000</u> | <u>\$36,318</u> | <u>\$14,795</u> | <u>\$109,523</u> |

ST. MARY COUNCIL ON AIDING, INC.

Schedule of Corrective Action Taken on Prior Year Findings
Year Ended June 30, 1997

There were no prior year findings.

ST. BARTHOLOMEW'S HOSPITAL, INC.

Schedule of Questioned Costs
Year Ended June 30, 1997

There are no questioned costs in this reporting period.

ST. MARY COUNCIL ON ABUSE, INC.

Schedule of Disbursements to Board Members
Year Ended June 30, 1997

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

ST. MARY COUNCIL ON AGING, INC.

Schedule of Exit Conference
Year Ended June 30, 1997

An exit conference was held on November 3, 1997, with the St. Mary Council on Aging, Inc. In attendance were:

Virginia Todd, President
Roland A. Ehm, Vice-President
H. A. LeViers, Secretary/Treasurer
Marie Harris, Board Member
Marjorie Levine, Board Member
Shirley Brown-Hickman, Board Member
Ruby Swales, Board Member
Jane Powers, Executive Director
Cecilia Anderson, Bookkeeper
Sharon Brownard, Cajon Area Agency on Aging
Alan S. Taylor, CPA

We reported on the results of our audit and our discovery of a material weakness in internal control, which is reported on page 17.