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Union Council on the Aging, Inc.
Farmersville, Louisiana

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

For the 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 attorney, 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.

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Release Date July 6, 1988

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UNION COUNCIL OF THE AGING, INC.
Franklin, Louisiana

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June 30, 1957

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Union Council on the Aging, Inc.
Farmerville, Louisiana

We have audited the accompanying general-purpose financial statements of the Union Council on the Aging, Inc. as of and for the year ended June 30, 1997, as listed in the preceding table of contents. These general-purpose financial statements are the responsibility of the the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 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 organization 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 our report dated October 28, 1997 on our consideration of the organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the organization taken as a whole. The accompanying supplemental information, as listed in the preceding table of contents, is presented for purposes of additional analysis. This supplemental information is not a required part of the general-purpose financial statements. Such information has been subjected

To the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Saunders & Associates
SAUNDERS & ASSOCIATES
Certified Public Accountants

October 30, 1997

UNION COUNCIL ON THE AGES, INC.
Baton Rouge, Louisiana

COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1997

	Governmental Fund Types		Account Groups		Total (Inter- fund Drift)
	General Fund	Special Revenue Funds	General Fixed Assets	General Long-Term Debt	
ASSETS					
Cash (Note 1)	\$ 20,708	\$ 11,808	\$ 0	\$ 0	\$ 44,317
Accounts Receivable (Note 2)	2,797	8,242	0	0	11,993
Land	0	0	8,000	0	8,000
Building	0	0	104,180	0	104,180
Vehicles	0	0	32,000	0	32,000
Furniture and Equipment	0	0	34,800	0	34,800
Amount to be Provided For Retirement of General Long-Term Debt	0	0	0	201,721	201,721
TOTAL ASSETS	\$ 23,505	\$ 20,112	\$ 207,580	\$ 201,721	\$ 549,718
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable	\$ 25	\$ 10,288	\$ 0	\$ 0	\$ 10,424
Accrued Payroll Payable	0	4,217	0	0	4,517
Payroll Taxes Payable	1,280	400	0	0	1,782
Note Payable (Note 4)	0	0	0	201,721	201,721
Total Liabilities	1,282	15,121	0	201,721	218,124
Fund Equity:					
Investment in General Fixed Assets	0	0	97,500	0	97,500
Fund Balances - Preserved for Utilities Assistance	0	1,588	0	0	1,588
Unreserved and Undesignated	22,223	3,403	0	0	25,626
Total Fund Equity	22,223	4,991	97,500	0	249,214
TOTAL LIABILITIES AND FUND EQUITY	\$ 23,505	\$ 20,112	\$ 207,580	\$ 201,721	\$ 549,718

* The accompanying notes are an integral part of the financial statements.

UNION COUNCIL ON THE AGING, INC.
Farmerville, Louisiana

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

For the Year Ended June 30, 1997

	General Fund	Special Revenue Funds	Total (Manufacture Only)
REVENUES			
Intergovernmental	\$ 11,779	\$ 288,897	\$ 300,676
Public Support	0	31,897	31,897
Miscellaneous	69,927	6,147	76,074
Total Revenue	81,706	326,941	308,607
EXPENDITURES			
Grants:			
Salaries	0	108,128	108,128
Fringe	(800)	19,178	8,832
Travel	204	11,891	12,089
Operating Services	10	44,287	44,327
Operating Supplies	640	14,324	14,964
Other Costs	25,895	132,954	158,870
Capital Outlay	0	5,919	6,203
Utility Assistance	0	2,218	2,218
Total Expenditures	21,457	308,288	381,843
Excess of Revenues Over (Under) Expenditures	60,249	(81,347)	(1,236)
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	1,243	105,284	106,527
Operating Transfers Out	(63,833)	(41,524)	(105,357)
Total Other Financing Sources (Uses)	(62,590)	63,760	0
Excess (Deficiency) Of Revenues, and Other Sources Over Expenditures and Other Uses	(1,341)	(17)	(1,358)
Fund Balance, Beginning of Year	28,854	3,808	43,410
FUND BALANCE, END OF YEAR	\$ 27,513	\$ 3,791	\$ 41,304

* The accompanying notes are an integral part of the financial statements.

URBAN COUNCIL OF THE ACME, INC.
Farmersville, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP) AND ACTUAL -

GENERAL FUND TYPE

For the Year Ended June 30, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental	\$ 11,770	\$ 11,770	\$ 0
Public Support	0	0	0
Miscellaneous	0	69,577	69,577
Total Revenue	<u>11,770</u>	<u>81,314</u>	<u>69,577</u>
EXPENDITURES			
Current:			
Salaries	0	0	0
Fringe	0	(303)	303
Travel	0	304	(304)
Operating Services	0	18	(18)
Operating Supplies	0	640	(640)
Other Costs	0	20,699	(20,699)
Capital Outlay	0	0	0
Utility Assistance	0	0	0
Total Expenditures	<u>0</u>	<u>21,462</u>	<u>(21,462)</u>
Excess of Revenues Over (Under) Expenditures	<u>11,770</u>	<u>69,852</u>	<u>48,082</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	0	1,040	(1,040)
Operating Transfers Out	(11,770)	(65,080)	63,310
Total Other Financing Sources (Uses)	<u>(11,770)</u>	<u>(64,040)</u>	<u>62,270</u>
Transfers (Revolving) Of Government, and Other Sources Over Expenditures and Other Uses	\$ 0	\$ 4,141	\$ 4,141
Fund Balance, Beginning of Year		39,804	
FUND BALANCE, END OF YEAR		<u>\$ 39,899</u>	

* The accompanying notes are an integral part of the financial statements.

UNION COUNCIL ON THE AGING, INC.
Baton Rouge, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (BAP) AND ACTUAL -

SPECIAL REVENUE FUNDS

For the Year Ended June 30, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental	\$ 245,101	\$ 228,957	\$ (16,144)
Public Support	29,408	29,527	(119)
Miscellaneous	87,558	5,147	(82,411)
Total Revenue	<u>362,067</u>	<u>263,631</u>	<u>(98,436)</u>
EXPENDITURES			
Current:			
Salaries	108,964	109,130	(166)
Fringe	12,323	10,775	1,548
Travel	11,280	11,890	(610)
Operating Services	52,117	44,267	7,850
Operating Supplies	14,288	14,224	64
Other Costs	121,287	122,864	(1,577)
Capital Outlay	5,075	5,315	(240)
Utility Assistance	0	2,318	(2,318)
Total Expenditures	<u>325,334</u>	<u>326,568</u>	<u>1,234</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>(62,937)</u>	<u>(62,937)</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	0	105,584	105,584
Operating Transfers Out	0	(41,224)	(41,224)
Total Other Financing Sources (Uses)	<u>0</u>	<u>64,360</u>	<u>64,360</u>
Excess (Deficiency) Of Revenues, and Other Sources Over Expenditures and Other Uses	<u>\$ 0</u>	<u>(98,577)</u>	<u>(98,577)</u>
Fund Balance, Beginning of Year		5,808	
FUND BALANCE, END OF YEAR		<u>\$ 4,231</u>	

* The accompanying notes are an integral part of the financial statements.

UNION COUNCIL ON THE AGING, INC.
Monroe, Louisiana

NOTICE TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 1987

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

In 1968, 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 respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The Union Council on the 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. 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.

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

B. Presentation of Statements

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

UNION COUNCIL ON THE AGING, INC.
Monroeville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

For the Year Ended June 30, 1983

B. Presentation of Statements, Continued

audit guide issued by the American Institute of Certified Public Accountants; Subsection 93 - Annual Financial Reporting, accounting manual for Governor's Office of Elderly Affairs contractors; and, the Louisiana Governmental Audit Guide.

C. Fund Accounting

The accounts of the Union Council on the Aging, Inc. are organized on the basis of funds and an account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. The council on aging's revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds 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.

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

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

FMSA (Act 735) - PCMA (Act 735) funds are appropriated for the Governor's Office of Elderly Affairs by the Louisiana Legislature for use by the Council on Aging. The Council may use these "Act 735" funds at its discretion.

Special Revenue Funds Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Title 121-C-1 Congregate Meals Fund Title 121-C-1 funds are provided by the United States Department of Health and Human Services to the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds of the Council. These funds are used to provide nutritional congregate meals to the elderly in strategically located centers.

UNION COUNCIL ON THE AGING, INC.
Monroeville, Louisiana

NOTE TO THE FINANCIAL STATEMENTS - CONT'D

For the Year Ended June 30, 1987

C. Fund Accounting, Continued

Title III-C-1 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-based older persons.

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

Title III-B Supportive Service 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 of the Council. This program provides escort services, in-home services, community services, legal assistance, and transportation for the elderly.

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

Title III-E - Preventive Health Title III-E 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 of the Council. This program provides preventive health services.

Utilities Assistance Fund The Utilities Assistance Fund accounts for the administration of the Utilities Assistance Program that is sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging to provide assistance to the elderly for paying utilities.

UNION COUNCIL OF THE AGING, INC.
Farmerville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

For the Year Ended June 30, 1997

C. Fund Accounting - Continued

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

D. General Fixed Assets and Long-Term Debt

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. Long-term liabilities expected to be financed from governmental funds are accounted for in the General long-Term Debt Account Group. Principal and interest payments on long-term liabilities are accounted for in the general fund because the Council intends to use general fund revenues to pay them.

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.

F. Other Financing Sources (uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). Transfers between funds are recognized at the time of transfer.

UNION COUNCIL ON THE AGING, INC.
Farmerville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

For the Year Ended June 30, 1997

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 "GOEA" 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 GOEA 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 (June 30).
- * The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- * Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.
- * Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- * The Council may transfer funds between line items as often as required but must obtain prior approval from the Governor's Office of Elderly Affairs for funds received under grants from this state agency.
- * Expenditures cannot legally exceed appropriations on an individual fund level.

H. Encumbrances

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not used by the Union Council on the Aging, Inc. in its accounting practices.

UNION COUNCIL ON THE AGING, INC.
FAIRMONTVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

For the Year Ended June 30, 1997

1. Cash

At June 30, 1997, the carrying amount of the Council's deposits was as follows:

Payroll - checking	\$ 8
Operating - checking	43,088
Reserve	<u>2,883</u>
Cash on deposit in banks	<u>\$ 44,979</u>

All of these deposits were covered by federal depository insurance. The reserve account was established per the Farmers Home Administration mortgage agent. (See Note 4).

2. Inventory

No inventory at June 30, 1997.

3. Compensated Absences

Employees of the Union Council on the Aging, Inc., earn from 10 to 20 days of annual leave each calendar year with 10 days allowed to be carried over to next year, depending on their length of service and the employee's working status (full-time or part-time). Provided that funds are available, employees are compensated upon termination of employment for current-year accrued annual leave of up to 5 days. Employees earn up to 12 days of sick leave each calendar year, and can accumulate up to 60 days, depending upon whether the employee is on a part-time or full-time status. Employees are not paid for accrued sick leave at termination. The ceiling for annual leave for part-time employees, is 10 days per calendar year. Although the employees' leave benefits have not been recognized and accrued at June 30, 1997, the amounts are not material to the financial statements.

4. Total Columns on Combined Statements

The total columns on the combined statements are captioned Memorandum Only (Overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations 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.

UNION COUNCIL ON THE AGING, INC.
Monroeville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

For the Year Ended June 30, 1997

NOTE 2: FUNDING POLICIES AND SOURCES OF FUNDS

The Council receives its monies through various methods of funding. U.S.D.A. cash-in-lieu of commodities funds are provided through the Louisiana Governor's Office of Elderly Affairs to help offset raw food costs in Title III C-1 and C-2 programs. This program is funded under the units of service provided method. The Senior Center program and State Allocation (PCDA) funds are received as a monthly allocation of the total budget (grant) in advance of the actual expenditures. The Title III-B, C-1, C-2, and D and F programs are funded based on actual operating costs incurred.

The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1, and C-2 programs. The Union Parish Police Jury also provides funds to the Council. Utility assistance funds are also provided by the Louisiana Association of Council on Aging to the Council under the Helping Hands, and Helping Help.

Energy programs: All of the above mentioned funds, including any other miscellaneous income, are recorded as revenue when the cash is received because the Council cannot predict the timing and amount of receipts.

NOTE 3: ACCOUNTS RECEIVABLE

Contracts receivable at June 30, 1997, consist of reimbursements for expenditures incurred under the following programs:

USDA	\$ 7,530
III-F	305
Medicaid	9,563
Art	1,384
TOTAL CONTRACT RECEIVABLE:	<u>\$ 11,782</u>

NOTE 4: CHANGES IN LONG-TERM DEBT

The following is a summary of transactions relating to the Council's long-term debt during fiscal year 1997. This is a note with Farmers Home Administration for construction of a building and the purchase of land which are pledged as collateral for this note.

	Balance 11/01/96	Principal Additions	Principal Reductions	Balance 06/30/97
Note Payable	\$204,188	\$ _____	\$ 3,379	\$201,721
TOTAL	<u>\$204,188</u>	<u>\$ _____</u>	<u>\$ 3,379</u>	<u>\$201,721</u>

UNION COUNCIL ON THE AGING, INC.
FERRISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

For the Year Ended June 30, 1997

NOTE 4: CHANGES IN LONG-TERM DEBT, CONT'D

The note in its entirety is \$204,160 with an interest rate of 6.5% per year. Payments of \$1,129 will be made monthly for 10 years beginning September 14, 1996.

The future scheduled maturities of long-term debt is as follows:

Year Ending <u>June 30,</u>	
1999	\$ 2,990
1999	3,194
2000	3,324
2001	3,500
2002	3,691
Thereafter	<u>185,055</u>
	\$ <u>201,221</u>

NOTE 5: PENSION PLAN

All employees of Union Council on the Aging, Inc. are members of the Social Security System. In addition to the employee contribution withheld at 7.65 per cent of gross salary, the council contributes an equal amount to the Social Security System.

NOTE 6: POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Union Council on the Aging, Inc. has no retired employees at June 30, 1997.

NOTE 7: LITIGATION AND CLAIMS

There was no litigation pending against the council at June 30, 1997, nor is the council aware of any unasserted claims.

NOTE 8: IN-KIND CONTRIBUTIONS

The Council received various in-kind contributions during the year. These in-kind contributions have not been recorded in the financial statements as revenues, nor has the expenditure related to the use of the in-kind been recorded.

INTECH COUNCIL ON THE AGING, INC.
KATYHOEKVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

For the Year Ended June 30, 1997

NOTE 8: IN-KIND CONTRIBUTIONS, CONT'D

The primary in-kind contributions consisted of free rent and utilities for the senior center and meal sites, and wages and fringe benefits for volunteer workers.

NOTE 9: INCOME TAX STATUS

The Council, a nonprofit corporation, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE 10: BOARD OF DIRECTOR'S COMPENSATION

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

NOTE 11: ECONOMIC DEPENDENCY

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

NOTE 12: ESTIMATES

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

Saunders & Associates
Certified Public Accountants

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Union Council on the Aging, Inc.
Farmersville, Louisiana

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

Compliance

As part of obtaining reasonable assurance about whether the organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these 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 organization's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items #1-1 and #1-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce, to a relatively low level, the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration

of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above are a material weakness.

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

Brownstein & Associates
BROWNSTERN & ASSOCIATES
Certified Public Accountant

October 30, 1997

SUPPLEMENTAL INFORMATION

UNION COUNCIL ON THE AGING, INC.
Farmville, Louisiana

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

For the Year Ended June 30, 1987

Federal Grants/Pass Through Grants (Name) Program Name	Federal CFDA Number	Program Or Award Amount	Revenue Recognized	Expenses
United States Department of Health and Human Services:				
Passed Through the Louisiana Governor's Office of Elderly Affairs - Special Programs for the Aging:				
Title II - B Supportive Services	93-823	\$ 43,208	\$ 43,208	\$ 43,208
Title II C - 1 Congregate Meals	93-826	43,208	43,208	43,208
Title II C - 2 Home Delivered Meals	93-828	18,463	18,463	18,463
Title II - D In-Home Services	93-847	1,467	1,467	1,467
Title II - F Preventive Health	93-857	2,528	2,528	2,528
Total United States Department of Health and Human Services		195,822	195,822	195,822
United States Department of Agriculture: Passed Through Louisiana Governor's Office of Elderly Affairs - Food Distribution Program - Cash - In- Lieu-Of Commodities				
	10-250	28,414	28,414	28,414
TOTAL FEDERAL FINANCIAL ASSISTANCE		\$ 124,438	\$ 124,438	\$ 124,438

* The accompanying notes are an integral part of the financial statements.

UNION COUNCIL ON THE AGING, INC.
Farmville, Louisiana

Page 1 of 2

COMBINED BALANCE SHEET - SPECIAL REVENUE FUNDS

June 30, 1997

	Title 118 Supportive Services	Title 11 C-1 Congregate Meals	Title 11 C-2 Home Delivered Meals	Center Center	Title 11- D In-Home Services
ASSETS					
Cash (Overdraft)	\$ 2,908	\$ 5,400	\$ 6,590	\$ 52	\$ 77
Receivables	0	0	0	0	0
Land and Buildings	0	0	0	0	0
Vehicles	0	0	0	0	0
Furniture and Equipment	0	0	0	0	0
Amounts to be Provided for Long-Term Debt	0	0	0	0	0
TOTAL ASSETS	\$ 2,908	\$ 5,400	\$ 6,590	\$ 52	\$ 77
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable	\$ 684	\$ 4,180	\$ 5,327	\$ 0	\$ 4
Accrued Payroll Payable	1,540	1,184	1,182	43	67
Payroll Taxes Payable	178	107	111	4	6
Total Liabilities	2,398	5,468	6,620	52	77
Fund Equity:					
Investment in General Fund Assets	0	0	0	0	0
Fund Balances:					
Reserved for:					
Utility Assistance	0	0	0	0	0
Unassigned	0	0	0	0	0
Designated	0	0	0	0	0
Total Fund Equity	0	0	0	0	0
TOTAL LIABILITIES AND FUND EQUITY	\$ 2,398	\$ 5,468	\$ 6,620	\$ 52	\$ 77

* The accompanying notes are an integral part of the financial statements.

UNION COUNCIL ON THE AGING, INC.
 Kennerly, Louisiana

Page 2 of 2

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS - CONT'D

June 30, 1997

	Title II - F Preventive Health	Utilities Assistance	LGDA	Total (Memo Only)
ASSETS				
Cash (Overball)	\$ 305	\$ 1,600	\$ (3,190)	\$ 11,660
Reserves:				
Land and Buildings	0	0	7,838	8,240
Vehicles	0	0	0	0
Furniture and Equipment	0	0	0	0
Amount to be Provided for Long-Term Debt	0	0	0	0
TOTAL ASSETS	\$ 0	\$ 1,600	\$ 3,600	\$ 20,112
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable	\$ 0	\$ 14	\$ 0	\$ 10,208
Accrued Payroll Payable	0	0	0	4,317
Payroll Taxes Payable	0	0	0	406
Total Liabilities	\$ 0	\$ 14	\$ 0	\$ 15,131
Fund Equity:				
Investment in General Fund Assets	0	0	0	0
Fund Reserves:				
Reserved for:				
Utility Assistance	0	1,586	0	1,586
Unreserved	0	0	3,600	3,400
Designated	0	0	0	0
Total Fund Equity	\$ 0	\$ 1,586	\$ 3,600	\$ 4,986
TOTAL LIABILITIES AND FUND EQUITY	\$ 0	\$ 1,600	\$ 3,600	\$ 20,112

* The accompanying notes are an integral part of the financial statements.

UNION COUNCIL, ON THE ARMS, INC.
 Carbonville, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - ACTUAL - GENERAL FUND

For the Year Ended June 30, 1997

REVENUES	Programs of the General Fund		
	Local	FDA	Total
Intergovernmental	\$ 0	\$ 11,779	\$ 11,779
Public Support	0	0	0
Miscellaneous	68,277	0	68,277
Total Revenue	68,277	11,779	80,056
EXPENDITURES			
Current:			
Salaries	0	0	0
Fringe	(303)	0	(303)
Travel	304	0	304
Operating Services	18	0	18
Operating Supplies	648	0	648
Other Costs	20,804	0	20,804
Capital Outlay	0	0	0
Utility Assistance	0	0	0
Total Expenditures	21,657	0	21,657
Excess of Revenues Over (Under) Expenditures	46,620	11,779	58,399
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	1,343	0	1,343
Operating Transfers Out	(63,844)	(11,779)	(75,623)
Total Other Financing Sources (Uses)	(62,501)	(11,779)	(74,280)
Excess (Deficiency) Of Revenues, and Other Sources Over Expenditures and Other Uses	(16,181)	0	(16,181)
Fund Balance, Beginning of Year	39,804	0	39,804
FUND BALANCE, END OF YEAR	\$ 23,623	\$ 0	\$ 23,623

* The accompanying notes are an integral part of the financial statements.

URION COUNCIL ON THE AGING, INC.
BOSSCHIE, LOUISIANA

Page 1 of 2

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - SPECIAL REVENUE FUND

For the Year Ended June 30, 1997

	Title III B Supportive Services	Title III C - 1 Congregate Meals	Title III C - 2 Home Delivered Meals	Senior Center	Miscellaneous Fund
REVENUE:					
Intergovernmental:					
Office of Elderly Affairs	\$ 80,858	\$ 47,329	\$ 79,471	\$ 22,999	\$ 4,500
Public Support:					
LA Association of Councils on Aging	0	0	0	0	0
Client Contributions	0	10,157	13,488	1	0
Miscellaneous:					
Program Income	4,259	0	0	0	0
Total Revenues	<u>85,117</u>	<u>57,486</u>	<u>92,959</u>	<u>23,000</u>	<u>4,500</u>
EXPENDITURES					
Current:					
Salaries	44,183	29,239	29,842	8,817	0
Fringe	4,083	2,539	2,847	869	0
Travel	3,587	839	7,328	329	0
Operating Services	18,271	18,085	19,888	8,122	0
Operating Supplies	8,988	3,117	3,514	0	0
Other Costs	28,085	63,180	66,267	323	0
Capital Outlay	1,894	1,874	1,784	0	0
Utility Assistance	0	0	0	0	0
Total Expenditures	<u>180,854</u>	<u>212,673</u>	<u>217,128</u>	<u>13,114</u>	<u>0</u>
Excess of Revenues Over (Under)					
Expenditures	<u>(95,737)</u>	<u>(155,187)</u>	<u>(124,169)</u>	<u>9,226</u>	<u>4,500</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	48,228	32,107	20,608	0	0
Operating Transfers Out	0	0	0	(9,226)	(4,500)
Total Other Financing Sources (Uses)	<u>48,228</u>	<u>32,107</u>	<u>20,608</u>	<u>(9,226)</u>	<u>(4,500)</u>
Excess (Deficiency) of Revenues, and Other Sources Over Expenditures and Other Uses					
	0	0	0	0	0
Fund Balance, Beginning of Year	0	0	0	0	0
FUND BALANCE, END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

¹ The accompanying notes are an integral part of the financial statements.

UNION COUNCIL ON THE AGING, INC.
Farmville, Louisiana

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - SPECIAL REVENUE FUND**

For the Year Ended June 30, 1997

	Title III-D In-House Services	Title III-F Preventive Health	Union Assistance Fund	USDA	Total (Millions Only)
REVENUES					
Intergovernmental:					
Office of Elderly Affairs	\$ 1,790	\$ 2,508	\$ 0	\$ 28,414	\$ 229,967
Public Support:					
LA Association of Councils on Aging	0	0	780	0	780
Client Contributions	0	0	0	0	31,627
Miscellaneous:					
Program Income	0	0	0	0	4,059
Total Revenues	<u>1,790</u>	<u>2,508</u>	<u>780</u>	<u>28,414</u>	<u>295,731</u>
EXPENDITURES					
Current:					
Salaries	1,270	(20)	0	0	108,130
Fringe	180	(4)	0	0	12,175
Travel	455	0	0	0	11,081
Operating Services	192	1,211	0	0	44,587
Operating Supplies	41	1,087	0	0	14,524
Other Costs	4	930	0	0	102,984
Capital Outlay	21	0	0	0	8,202
Utility Assistance	0	0	2,218	0	2,218
Total Expenditures	<u>2,818</u>	<u>2,885</u>	<u>2,218</u>	<u>0</u>	<u>208,984</u>
Excess of Revenues Over (Under) Expenditures					
	<u>(1,028)</u>	<u>(20)</u>	<u>(1,438)</u>	<u>28,414</u>	<u>(84,654)</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	1,528	26	0	0	128,364
Operating Transfers Out	0	0	0	(27,798)	(87,124)
Total Other Financing Sources (Uses)	<u>1,528</u>	<u>26</u>	<u>0</u>	<u>(27,798)</u>	<u>40,640</u>
Excess (Deficiency) of Revenues, and Other Sources, Over Expenditures and Other Uses					
	0	0	(1,438)	0	(840)
Fund Balance, Beginning of Year	0	0	2,818	2,787	5,000
FUND BALANCE, END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,380</u>	<u>\$ 2,489</u>	<u>\$ 4,001</u>

* The accompanying notes are an integral part of the financial statements.

UNION COUNCIL ON THE AGING, INC.
Baton Rouge, Louisiana

STATEMENT OF EXPENDITURES - BUDGET (GAAP) AND ACTUAL -
SPECIAL REVENUE FUND TYPES

For the Year Ended June 30, 1997

	Budget	Actual	Balance Deviation (Disfavorable)
Title III - B Supportive Services			
Salaries	\$ 49,077	\$ 44,190	\$ 4,887
Fringe Benefits	3,881	4,083	(202)
Travel	3,579	3,567	12
Operating Services	16,025	16,271	(246)
Operating Supplies	7,086	6,585	501
Other Costs	24,917	24,090	927
Capital Outlay	1,984	1,984	0
Subtotal	<u>98,749</u>	<u>100,650</u>	<u>1,901</u>
Transfers In From Miscellaneous Grant	(5,400)	0	5,400
Transfers In From Service Center	(5,937)	(5,259)	(678)
Transfers In From General Fund	(24,443)	(25,112)	(669)
Total Title III - B	<u>\$ 62,969</u>	<u>\$ 65,219</u>	<u>\$ 2,250</u>
Title III C - 1 Community Meals			
Salaries	\$ 28,032	\$ 28,238	\$ (206)
Fringe	2,870	2,808	62
Travel	790	838	(48)
Operating Services	10,952	10,888	64
Operating Supplies	2,918	3,117	(199)
Other Costs	65,725	63,188	2,537
Capital Outlay	1,884	1,878	6
Subtotal	<u>113,901</u>	<u>111,873</u>	<u>(2,028)</u>
Transfer In From USDA	(6,407)	(1,100)	5,307
Transfers In From Miscellaneous Grant	0	(3,378)	3,378
Transfer In From General Fund	(18,890)	(18,811)	79
Transfer In From POCA	(11,719)	(11,719)	0
Total Title III C - 1	<u>\$ 66,985</u>	<u>\$ 65,468</u>	<u>\$ 1,517</u>
Title III C - 2 Home Delivered Meals			
Salaries	\$ 30,468	\$ 30,848	\$ (380)
Fringe	3,848	3,847	1
Travel	8,644	7,108	1,536
Operating Services	11,242	10,498	744
Operating Supplies	3,990	3,914	76
Other Costs	60,195	55,207	4,988
Capital Outlay	1,884	1,704	180
Subtotal	<u>110,371</u>	<u>104,728</u>	<u>5,643</u>
Transfer In From USDA	(22,400)	(25,676)	3,276
Transfer In From General Fund	0	(12)	12
Total Title III C - 2	<u>\$ 87,971</u>	<u>\$ 79,040</u>	<u>\$ 8,931</u>

* The accompanying notes are an integral part of the financial statements.

UNION COUNCIL ON THE ADAMS, INC.
Farmerville, Louisiana

STATEMENT OF EXPENDITURES - BUDGET (GAAP) AND ACTUAL - CONT'D
SPECIAL REVENUE FUND TYPES

For the Year Ended June 30, 1987

	Budget	Actual	Variance Favorable (Unfavorable)
Senior Center			
Salaries	\$ 7,888	\$ 6,817	\$ (1,071)
Fringe	870	888	18
Travel	0	(88)	(88)
Operating Services	8,890	6,027	(2,863)
Operating Supplies	0	0	0
Other Costs	0	203	203
Capital Outlay	0	0	0
Subtotal	16,648	13,714	(2,934)
Transfer Out to GIS	6,027	6,028	1
Total Senior Center	\$ 22,675	\$ 19,742	\$ 2,933
Title II - D In - Horse Services			
Salaries	\$ 1,818	\$ 1,873	\$ 55
Fringe Benefits	180	180	0
Travel	478	458	(20)
Operating Services	188	182	(6)
Operating Supplies	33	41	8
Other Costs	0	4	4
Capital Outlay	30	31	1
Subtotal	2,827	2,879	52
Transfer In From Miscellaneous Grant	(1,027)	(1,028)	(1)
Transfer In From General Fund	0	(1)	(1)
Total Title II - D In - Horse Services	\$ 1,799	\$ 1,799	\$ 0
Title II - F Preventive Health			
Salaries	\$ 0	\$ (11)	\$ (11)
Fringe Benefits	0	14	14
Travel	0	0	0
Operating Services	1,080	1,211	131
Operating Supplies	1,080	1,087	7
Other Costs	250	260	10
Capital Outlay	0	0	0
Subtotal	2,390	2,582	192
Transfer In From Miscellaneous Grant	0	0	0
Transfer In From General Fund	0	(29)	(29)
Total Title II - F Preventive Health	\$ 2,390	\$ 2,553	\$ 163

* The accompanying notes are an integral part of the financial statements.

UNION COUNCIL ON THE AGING, INC.
Farmville, Louisiana

Page 3 of 3

STATEMENT OF EXPENDITURES - BUDGET (GAAP) AND ACTUAL - CONT'D
SPECIAL REVENUE FUND TYPES

For the Year Ended June 30, 1987

	Budget	Actual	Balance Favorable (Unfavorable)
Miscellaneous Grant			
Salaries	\$ 0	\$ 0	\$ 0
Other Costs	0	0	0
Subtotal	0	0	0
Transfer Out To C-1	4,500	3,375	(1,125)
Transfer Out To B-D	0	1,125	1,125
Transfer Out To B-F	0	0	0
Total Miscellaneous Grant	\$ 4,500	\$ 4,500	\$ 0
USDA			
Salaries	\$ 0	\$ 0	\$ 0
Subtotal	0	0	0
Transfer Out To B-C-1	12,760	1,122	(11,638)
Transfer Out To B-C-2	7,220	26,876	19,656
Total USDA	\$ 20,000	\$ 27,998	\$ 7,998

* The accompanying notes are an integral part of the financial statements.

UNION COUNCIL ON THE AGING, INC.
Farmville, Louisiana

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

For the Year Ended June 30, 1997

	Balance June 30, 1996	Additions	Deletions	Balance June 30, 1997
General Fixed Assets, At Cost:				
Vehicles	\$ 37,805	\$ 0	\$ 0	\$ 37,805
Office Furniture and Equipment	49,494	5,010	0	54,504
Total General Fixed Assets	\$ 87,299	\$ 5,010	\$ 0	\$ 92,309
Investment in General Fixed Assets:				
Property Acquired Prior to July 1, 1995**	\$ 6,485	\$ 0	\$ 0	\$ 6,485
Property Acquired After July 1, 1995				
Non-Financial Items =				
UMTA	52,628	0	0	52,628
General Fund	3,378	0	0	3,378
Title III C-1	8,171	1,804	0	9,975
Title III C-2	4,420	1,805	0	6,225
Title III-B Supportive Services	12,281	2,304	0	14,585
Senior Center	5,199	0	0	5,199
B-D	373	0	0	373
B-F	8,218	0	0	8,218
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	\$ 1,182,209	\$ 4,203	\$ 0	\$ 1,186,412

NOTE: This schedule does not include PMHA construction or land purchase.

** Records reflecting sources from which assets were acquired were not maintained prior to July 1, 1996.

• The accompanying notes are an integral part of the financial statements.

UNION COUNCIL ON THE AGING, INC.
Farmerville, Louisiana

STATUS OF PRIOR YEAR AUDIT FINDINGS

June 30, 1995

There were no prior audit findings or questioned costs.

* The accompanying notes are an integral part of the financial statements.

TRIMM COUNCIL OF THE AGING, INC.
CROCKVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 1983

INTERNAL CONTROL

97-1 TIMESHETS AND ANNUAL LEAVE REQUEST AND TRAVEL VOUCHERS

Condition: The Executive Director expressly approves her own timesheets, annual leave requests, and travel vouchers.

Recommendation: We recommend that all expenses related to the Executive Director be approved by a member of the Board of Directors of the agency.

Reply: *We will with the recommendation*

97-2 COMMUNITY TRUST BANK ACCOUNT

Condition: During the course of the audit, we located a bank account with the agency tax identification number that is not currently posted to the books of the agency. This account was reviewed and the activity appears to be an in and out type account for trips sponsored by the Council.

Recommendation: We recommend this activity be posted to the agency books and supporting documentation be maintained to support all expenditures.

Reply:

* The accompanying notes are an integral part of the financial statements.

UNION COUNCIL FOR THE AGING, INC.
Kennerlyville, Louisiana

EXIT CONFERENCE

For the Year Ended June 30, 1987

The exit conference was held on October 28, 1987. Those in attendance were Lynn Saunders, Auditor, and Louise Benton, Executive Director of the Council.

I reported that I did not discover any material weaknesses in internal control.

A separate management letter has not been issued.

* The accompanying notes are an integral part of the financial statements.