



MADISON COUNCIL ON ADING, INC.
 TALLULAH, LOUISIANA
 FINANCIAL REPORT
 YEAR ENDED JUNE 30, 1997

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

Release Date 01-26-98

MADISON COUNCIL ON AGING, INC.
TALLULAH, LOUISIANA
FINANCIAL REPORT
YEAR ENDED JUNE 30, 1997

TABLE OF CONTENTS

I. FINANCIAL	Exhibit	Page
Report of Independent Auditors		1
General Purpose Financial Statements:		
Combined Balance Sheet - All Fund Types and Account Groups	A	2
Combined Statements of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	B	3
Combined Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP BASIS) and Actual - General Fund Types	C	4
Combined Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP BASIS) and Actual - Special Revenue Fund Types	D	5
Notes to Financial Statements		6-15
Additional Information	Schedule	
Schedule of Federal Financial Assistance	1	17
Schedule of General Fund Assets	2	18
Combining Financial Statements:		
Combining Balance Sheet - General Funds	3	19
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - General Funds	4	20
Combining Balance Sheet - Special Revenue Funds	5	21
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Special Revenue Funds	6	22
Schedule of Expenditures - Budget vs. Actual	7	23-25
II. INTERNAL CONTROL AND COMPLIANCE		
Report of Independent Auditor on Internal Control Structure based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards		27-28
Report of Independent Auditor on the Internal Control Structure Used in Administering Federal Financial Assistance Programs		29-31
Report of Independent Auditor on Compliance with Laws and Regulations Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		32

MAHON COMPANY, INC.
TALLULAH, LOUISIANA
FINANCIAL REPORT
YEAR ENDED JUNE 30, 1987

TABLE OF CONTENTS
(CONTINUED)

	Page
Report of Independent Auditor on Compliance with Requirements Applicable to Non-major Federal Financial Assistance Program Transactions	33
Schedule of Findings and Questioned Costs	34
Report of Independent Auditor on compliance with the General requirements applicable to Federal Financial Assistance Programs	35
Exit Conference	36

SHADDOX COUNCIL ON AGING, INC.
TALLULAH, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1997

	Governmental Fund Types		Account Groups		Totals	
	General	Special	General Fund Assets	Long-Term Debt	Monomaterial Only	Other
ASSETS						
Cash	\$ 15,476	\$ 134,803	\$	\$	\$ 46,261	\$ 32,658
Grants receivable		26,957			26,957	24,399
Due from other funds	31,319		321,879		31,319	31,419
Property and equipment					321,879	285,487
Amount to be provided for retirement of general long-term debt and other obligations						
Inventory		513				312
Total assets	<u>\$ 46,795</u>	<u>\$ 46,763</u>	<u>\$ 321,879</u>	<u>\$ 81,108</u>	<u>\$ 81,108</u>	<u>\$ 84,686</u>
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Cash overdraw	\$	\$ 3,343	\$	\$	\$	\$ 3,343
Accounts payable		9,169			9,169	30,929
Due to state		80			80	393
Due to other funds	191	31,262			31,453	31,479
Compensated absences payable				2,791	2,791	2,863
Notes payable	11,520			78,312	89,832	116,561
Total liabilities	<u>\$ 11,711</u>	<u>\$ 41,604</u>	<u>\$</u>	<u>\$ 81,108</u>	<u>\$ 81,108</u>	<u>\$ 153,499</u>
FUND EQUITY						
Investments in general fixed assets	\$	\$	\$ 321,879	\$	\$ 321,879	\$ 299,497
Fund balances reserved for inventory of supplies		919			919	363
Unreserved fund balance	35,120	3,268			37,416	28,521
Total fund balance	<u>\$ 35,120</u>	<u>\$ 3,272</u>	<u>\$ 321,879</u>	<u>\$</u>	<u>\$ 321,879</u>	<u>\$ 228,381</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 46,821</u>	<u>\$ 45,272</u>	<u>\$ 321,879</u>	<u>\$ 81,108</u>	<u>\$ 321,879</u>	<u>\$ 253,022</u>

The accompanying schedule is an integral part of these financial statements.

Exhibit D

MADISON COUNCIL ON AGING, INC.
TALLULAH, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL TYPES
YEAR ENDED JUNE 30, 1997

REVENUES	General Funds	Special Revenue Funds	Totals	
			1997	1996
Intergovernmental	\$10,770	\$297,987	\$308,757	\$332,589
Client contributions		35,293	35,293	39,990
Other income	38,684	37,261	75,945	79,289
Total revenues	\$84,124	\$370,541	\$454,665	\$451,868
EXPENDITURES				
Current				
Salaries	\$ 4,226	\$165,310	\$169,536	\$168,629
Fringe benefits	489	26,357	26,846	29,187
Meals		48,119	48,119	54,803
Travel	689	4,667	5,356	5,320
Operating services	17,544	94,961	112,505	89,832
Operating supplies	172	8,649	8,821	15,738
Other	1,070	3,488	4,558	8,410
Capital outlay	8,376	11,468	19,844	35,318
Debt service - in lieu of rent	-----	17,888	17,888	17,790
Total expenditures	\$32,332	\$380,998	\$413,330	\$434,538
EXCESS OF REVENUES OVER EXPENDITURES	\$19,121	(\$10,457)	\$ 8,665	\$ 17,330
OTHER FINANCING SOURCES (USES)				
Operating transfers in		33,996	33,996	41,083
Operating transfers out	(\$11,779)	(-42,217)	(-53,996)	(-41,083)
Total other financing sources	(\$11,779)	\$ 1,779	\$ 2,222	\$ 2,222
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 7,342	\$ 1,682	\$ 8,847	\$ 19,552
FUND BALANCES BEGINNING	13,388	1,388	14,776	15,363
FUND BALANCES ENDING	\$20,730	\$ 3,070	\$ 23,800	\$ 34,915

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

MADISON COUNCIL ON AGING, INC.
TALLULAH, LOUISIANA
COMBINED STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS)
AND ACTUAL - BUDGETED GENERAL FUND
YEAR ENDED JUNE 30, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental	\$11,779	\$11,779	\$
Other income		35,688	35,688
Total revenues	<u>\$11,779</u>	<u>\$23,467</u>	<u>35,688</u>
EXPENDITURES			
Salaries	\$	\$ 4,226	(\$ 4,226)
Taxes		648	648
Operating services		17,944	17,944
Operating supplies		172	172
Fringe		485	485
Other		1,070	1,070
Capital outlay		8,176	8,176
Total expenditures	<u>\$</u>	<u>\$32,741</u>	<u>(\$32,741)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$11,779</u>	<u>\$13,151</u>	<u>\$ 1,352</u>
OTHER FINANCING SERVICES (USES)			
Operating transfers in	\$	\$	\$
Operating transfers out	(\$11,779)	(\$11,779)	
Total other financing sources	<u>(\$11,779)</u>	<u>(\$11,779)</u>	<u>\$</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$</u>	<u>\$ 7,352</u>	<u>\$ 7,352</u>
FUND BALANCES - BEGINNING	<u>31,798</u>	<u>31,798</u>	
FUND BALANCES - ENDING	<u>\$31,798</u>	<u>\$35,150</u>	<u>\$ 3,352</u>

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

PARISHES COUNCIL ON AGING, INC.
 MONROE, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - REGULAR (GAAP BASIS)
 AND SPECIAL - SPECIAL REVENUE FUND TYPES
 YEAR ENDED JUNE 30, 1997

REVENUES	Budget	Actual	Variance - Favorable
Intergovernmental	\$320,000	\$297,387	(\$ 22,613)
Client contributions	61,000	35,280	(25,720)
Other income	4,200	12,261	8,061
Total revenues	<u>\$385,200</u>	<u>\$344,928</u>	<u>(\$ 40,272)</u>
EXPENDITURES			
Current:			
Salaries	\$155,500	\$165,309	(\$ 9,809)
Fringe	31,813	36,357	4,544
Meals	49,100	48,100	900
Travel	4,600	4,687	87
Operating services	83,344	94,961	11,617
Operating supplies	20,633	8,669	11,964
Other	3,744	3,488	256
Capital outlay	11,273	12,480	1,207
Payments in lieu of tax		12,000	12,000
Total expenditures	<u>\$369,207</u>	<u>\$396,307</u>	<u>(\$ 27,100)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(\$ 16,007)</u>	<u>(\$ 51,379)</u>	<u>(\$ 35,372)</u>
OTHER FINANCING SOURCES			
Operating transfers in	\$ 50,250	\$ 53,984	\$ 3,734
Operating transfers out	(38,880)	(42,217)	(3,337)
Total other financing sources	<u>\$ 11,370</u>	<u>\$ 11,767</u>	<u>\$ 397</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>\$ 4,627</u>	<u>\$ 1,612</u>	<u>(\$ 3,015)</u>
FUND BALANCE BEGINNING	<u>1,280</u>	<u>1,280</u>	
FUND BALANCE ENDING	<u>\$ 5,907</u>	<u>\$ 2,732</u>	<u>(\$ 3,175)</u>

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

MAJESTON COUNCIL ON AGING, INC.
TALLULAH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1987

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

In 1964, the State of Louisiana passed Act 450 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 Madison 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 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 Madison Council on Aging, Inc. is to improve the quality of life for the parish's elderly and to provide services to the elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Such services include providing meals, nutritional education, information and referral services, legal assistance, homemaker services, operating senior centers and transportation. A Board of Directors, consisting of 11 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 *Agenda of State and Local Governmental Units*, the industry audit guide issued by the American Institute of Certified Public Accountants; *Subsection M-Annual Financial Reporting* accounting manual by Governor's Office of Elderly Affairs contractors; and, the *Louisiana Governmental Audit Guide*.

MADISON COUNCIL ON AGING, INC.
TALLULAH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1993

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. FUND ACCOUNTING

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

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.

The Council's program participants also generate revenues through variety of fund raising activities that are not sponsored by any particular grant award. Revenues and expenses relating to these activities are accounted for as part of the General Fund's local programs.

PCOA (Act 735):

PCOA (Act 735) funds are appropriated for the Governor's Office of Identity Affairs by the Louisiana Legislature for contribution to the Council on Aging. The Council may use these "Act 735" funds at its discretion.

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.

Section 18

Section 18 funds are provided by the United States Department of Transportation and Development. Funds received by the Council are based on actual operating costs of providing transportation services to rural residents within Madison Parish. The transportation portion of in-kind contributions is an allowed cost for purposes of requesting reimbursement under this program.

MAISON COUNCIL ON AGING, INC.
TALLULAH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. FUND ACCOUNT (continued)

Title III-B Administration Fund

The Title III-B Administration Fund is used to account for the administration of Special Programs for the Aging. Title III-B Administrative 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 pay for administrative costs associated with the Title III and Senior Center programs.

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 access 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 to 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-based older persons.

Senior Center Fund

The Senior Center Fund is used to account for the Administration of Senior Center Programs 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 in which older persons receive supportive services and participate in activities which foster their independence and their involvement in and with the community.

MADISON COUNCIL ON AGING, INC.
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1987

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. FUND ACCOUNTING (continued)

U.S.D.A. Fund

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

Title III-D Fund

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

Title III-F Fund

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

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.

D. ACCOUNT GROUPS

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

MADISON COUNCIL ON AGING, INC.
TALHEULAH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ACCOUNT GROUPS (continued)

General Fixed Asset

The fixed assets (capital outlays) used in governmental fund type operations of Madison Council on Aging, Inc. are accounted for (expensed) 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 operations.

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.

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 receivable/payable.

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 Council's management prepares a proposed budget 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.

MADISON COUNCIL ON AGING, INC.
TALLULAH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. BUDGET POLICY (continued)

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 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 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.

Amounts were not budgeted for revenues and expenses for the Helping Hands, Gas Assistance and Special Accounts because they were not legally required and the amount of revenue to be received under this program could not be determined.

H. TOTAL COLUMNS OF COMBINED STATEMENTS - OVERVIEW

Total columns on the combined statements - overview are captioned "Miscellaneous 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 consolidated financial statement because no adjustments have not been made in the aggregation of this data.

I. FIXED ASSETS

All fixed assets are stated at historical cost or established historical cost, if actual historical cost is not available. Depreciated fixed assets are stated at their established fair market value on the date formed. No depreciation has been provided on general fixed assets.

J. LONG-TERM LIABILITIES

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term debt account group.

K. COMPARATIVE DATA

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

MADISON COUNCIL ON AGING, INC.
TAMMILAH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. ANNUAL AND SICK LEAVE

For governmental fund types, the Council's liability for accumulated unpaid vacation has been recorded in the general long-term debt group of accounts. These amounts will be recorded as fund expenditures 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.

M. RELATED PARTY TRANSACTIONS

None

N. RESERVATIONS AND DESIGNATIONS OF FUND BALANCES

The Council "reserves" portions of its fund balance that are not available for expenditure because resources have already been expended but not consumed.

NOTE 2 - REVENUE RECOGNITION - INTERGOVERNMENTAL GRANTS, PUBLIC SUPPORT
MISCELLANEOUS REVENUES

INTERGOVERNMENTAL GRANTS

Intergovernmental grant revenues are recorded in governmental funds as revenues in the accounting period when they become receivable to accrual, that is, measurable and available (modified annual basis).

Senior Center, State Allocation (Act 715), Title III B, C-1 and D funds are received as a monthly allocation of the total grant in advance of the actual expenditures, but are not receivable to accrual as revenue until the actual expenditures are made. Sections 18 and Audit funds are also recognized as revenue once the related cost has been incurred, and the grant reimbursement is measurable and available.

U.S.D.A. program funds are earned and become receivable to accrual based upon the number of units of service provided to program participants and are recorded as revenues at that time.

PUBLIC SUPPORT AND MISCELLANEOUS REVENUES

The Council encourages and receives contributions from donors to help offset the costs of the Title III-B, C-1, C-2 and D programs. Utility assistance funds are provided from public donations to the Madison Council on Aging, Inc. The timing and amounts of the receipts of public support and miscellaneous revenues are difficult to predict; therefore, they are not receivable to accrual and are recorded as revenue in the period received.

NOTE 3 - CASH IN BANK

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

Payroll - checking	\$ 70
Operating - checking	43,308
Cash on deposit in banks	<u>149,311</u>

All of these deposits were covered by federal depository insurance.

MADISON COUNCIL ON AGING, INC.
TALLULAH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - GRANTS RECEIVABLE

Grants receivable at June 30, 1997, consisted of reimbursements for expenses incurred under the following programs:

Program	Fund	Amount	
Section 18-Transportation	Special Revenue		\$ 3,824
U.S.D.A.	Special Revenue		4,875
Section XIX-Medical Assistance	Special Revenue		5,919
Title III-B-Supportive Services			3,875
Title III-F			773
Audit Funds			<u>1,891</u>
Total			<u>\$20,957</u>

NOTE 5 CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets was as follows:

	July 1, 1996	Additions	Disposals	June 30, 1997
Real estate	\$126,927	\$	\$	\$126,927
Improvements other than building	1,348			1,348
Furniture				
Equipment	<u>167,282</u>	<u>82,728</u>	<u>56,115</u>	<u>193,895</u>
Total	<u>\$295,557</u>	<u>\$82,728</u>	<u>\$56,115</u>	<u>\$322,170</u>

NOTE 6 ADVANCES FROM FUNDING AGENCY

This account represents funds received from the Governor's Office of Elderly Affairs that have not been spent and will be returned. The gross revenues for the following funds have been projected net of these advances. The composition of this account at June 30, 1997 is as follows:

Title III-D	\$ 80
Total	<u>\$ 80</u>

NOTE 7 - BOARD OF DIRECTORS' COMPENSATION

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

NOTE 8 - SECTION 18 TRANSPORTATION

The Council received \$38,828 under Section 18 from the Louisiana Department of Transportation and Development which was deposited into the general fund. Total rural transportation costs were \$107,225 for the year ended June 30, 1997. These costs were funded as follows:

MADISON COUNCIL ON AGING, INC.
TALEULAH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1997

NOTE 8 - SECTION 18 TRANSPORTATION (continued)

Title III-B	\$ 38,028
Intergovernmental -	
Madison Parish Police Jury	35,420
Client contributions	20,129
Other	2,698
Total	<u>118,275</u>

NOTE 9 - INCOME TAXES

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

NOTE 10 - CHANGES IN LONG-TERM DEBT

The following is a summary of transactions relating to the Council's long-term debt during fiscal year 1997:

	Balance		Balance		Balance
	06/30/96	Additions	Reductions	06/30/97	06/30/97
Accumulated unpaid variations	\$ 2,863	\$	\$ 72	\$ 2,791	
Notes payable	91,823	_____	12,588	79,235	
Total long-term debt	<u>\$ 94,686</u>	\$ _____	\$ 12,660	<u>\$ 81,970</u>	

NOTE 11 - LITIGATIONS, CLAIMS AND SIMILAR CONTINGENCIES

There is no litigation pending against the Council as June 30, 1997. Furthermore, the Council's management believes that any potential lawsuits would be adequately covered by insurance.

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

NOTE 12 - FEDERALLY ASSISTED PROGRAMS

The Council participates in a number of federally assisted programs. These programs are audited in accordance with the Single Audit Act of 1982. Audits of prior years have not resulted in any disallowed costs, however, grantor agencies may provide for further examinations. Based on prior experience, the Council's management believes that further examinations would not result in any significant disallowed costs.

NOTE 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 fiscal year.

MAHESHON COUNCIL ON AGING, INC.
TALLULAH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1997

NOTE 14 - INTERFUND TRANSFERS

Operating transfers in and out are listed by fund for the year ending June 30, 1997.

	Operating Transfers In	Operating Transfers Out
General Funds:		
State Allocation Funds (735)	\$	\$11,779
Local Funds	<u> </u>	<u> </u>
Total General Funds	\$	\$11,779
Special Revenue Funds:		
Title III B	\$19,299	\$
Title III C-1	11,806	
Title III C-2	22,891	
U.S.D.A.		23,948
Senior Center		13,769
Miscellaneous Grant		<u>4,500</u>
Total Special Revenue Funds	<u>\$53,595</u>	<u>\$42,217</u>
Total all funds	<u>\$53,595</u>	<u>\$53,996</u>

NOTE 15 - 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. Such advances create short-term interfund loans. A summary of these interfund loans at June 30, 1997 were as follows.

	Due From Other Funds	Due To Other Funds
General Funds:		
State Allocation Funds (735)	\$19,863	\$
Local Funds	11,538	101
Total General Funds	<u>\$31,401</u>	<u>\$101</u>
Special Revenue Fund:		
Section 18 - Transportation	\$	\$31,302
Total all funds	<u>\$31,401</u>	<u>\$31,403</u>

ADDITIONAL INFORMATION

MADISON COUNCIL ON AGING, INC.
TALLULAH, LOUISIANA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 1997

Federal Grantor/ Pass-Through Grantor Name/ Program Title	Federal CFDA Number	Program On Award Amount	Revenue	Expenses
U.S. DEPARTMENT OF AGRICULTURE				
Passed through Louisiana Governor's Office of Elderly Affairs - USDA - cash in lieu of commodities				
	50.570	\$20,090	\$21,867	\$23,948
Total U.S. Department of Agriculture		\$20,090	\$21,867	\$23,948
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Louisiana Governor's Office of Elderly Affairs				
Special Programs for the Aging:				
Title III-B Area Agency				
Administrative	93.633	\$ 8,536	\$ 8,536	\$ 8,536
Title III-B Supportive Services	93.633	25,842	25,369	25,842
Title III-C-1 Congregate Meal	93.633	31,475	31,475	31,475
Title III-C-2 Home Delivered Meals	93.633	19,227	19,227	19,227
Title III-D In-Home Services	93.641	1,080	1,080	1,080
Title III-F Paid Elderly Assistance	93.640	1,818	1,801	1,780
Total U.S. Department of Health and Human Services		\$87,178	\$88,292	\$88,600
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through the Madison Police Jury UMTA-Non Urbanized area public transportation program Federal Project #LA-18-NB13 State Project #741-33-0182				
	20.909	\$39,420	\$39,420	\$39,420
Total U.S. Department of Transportation		\$39,420	\$39,420	\$39,420
Total		\$159,598	\$148,579	\$158,008

MANAGER COUNCIL ON AGING, INC.
 TALLAHASSEE, FLORIDA
 SCHEDULE OF GENERAL FIXED ASSETS
 JUNE 30, 1987

	Beginning Balance June 30, 1986	Additions	Reductions	Ending Balance June 30, 1987
GENERAL FIXED ASSETS AT COST				
Building	\$101,927	\$	\$	\$101,927
Land	25,000			25,000
Improvements other than building (parking lot)	1,268			1,268
Equipment	187,282	82,728	58,213	211,797
Total general fixed assets	<u>\$395,477</u>	<u>\$ 82,728</u>	<u>\$ 58,213</u>	<u>\$419,992</u>
INVESTMENT IN GENERAL FIXED ASSETS				
Various funds*	\$ 1,382	\$	\$ 2,843	\$ 1,160
Title XIX	18,000		18,000	
Title XI	3,357			3,357
Senior Center	2,661			2,461
720 PCOM Funds	296			296
Local funds	123,021			123,021
Title III-B	8,871			8,871
Title III-ADA	189			189
DOTD	338,582	88,899	43,024	444,457
Title VII	6,800			6,800
Section 18 - Transportation	2,445			2,445
Miscellaneous grant	6,848			6,848
Title III-F	8,385	3,728	208	11,905
Total investment in general fixed assets	<u>\$395,457</u>	<u>\$ 92,627</u>	<u>\$ 43,232</u>	<u>\$444,852</u>

*The inventory records do not reflect the source from which these assets were purchased.

MADISON COUNCIL ON AGING, INC.
TALLULAH, LOUISIANA
COMBINING BALANCE SHEET - GENERAL FUNDS
JUNE 30, 1997

	Local Funds	State Allocation Funds	Total
ASSETS			
Cash	\$11,655	\$ 3,823	\$15,478
Due from other funds	<u>18,530</u>	<u>19,853</u>	<u>38,383</u>
Total assets	<u>\$30,185</u>	<u>\$23,676</u>	<u>\$53,861</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Notes payable	\$11,530	\$	\$11,530
Due to other funds	<u>191</u>	<u> </u>	<u>191</u>
Total liabilities	<u>\$11,721</u>	<u>\$ </u>	<u>\$11,721</u>
FUND EQUITY	\$18,464	\$23,676	\$42,140
TOTAL LIABILITIES AND FUND EQUITY	<u>\$30,185</u>	<u>\$23,676</u>	<u>\$53,861</u>

MADISON COUNCIL ON AGING, INC.
TALLULAH, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GENERAL FUNDS
YEAR ENDING JUNE 30, 1997

	Local Funds	State Allocation Funds	Total
REVENUES			
Intergovernmental - Office of Elderly Affairs	\$	\$11,779	\$11,779
Other income	32,684	—	32,684
Total revenues	32,684	\$11,779	\$44,463
EXPENDITURES			
Current:			
Wages	\$ 4,276	\$	\$ 4,276
Fringe	499		499
Travel	649		649
Operating services	17,544		17,544
Operating supplies	172		172
Other	1,070		1,070
Capital outlay	8,126	—	8,126
Total expenditures	32,336	\$	32,336
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 3,348	\$11,779	\$15,127
OTHER FINANCING SOURCES (USES)			
Operating transfer out	—	(\$11,729)	(\$11,729)
Total	\$	(\$11,729)	(\$11,729)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 3,348	\$	\$ 3,348
FUND BALANCE BEGINNING	4,112	23,648	27,760
FUND BALANCE ENDING	\$11,460	\$23,688	\$35,148

**MACHINERY SOURCE, INC./ARROW, INC.
TRILLIUM, LOS ANGELES
COMBINED BALANCE SHEET - SPECIAL DIVISIONS
AS OF 12/31/97**

ASSETS	P&S E.O.B.		TDS III		Special Projects		TDS E.O.B.	TDS E.O.B.	TDS E.O.B.	TDS E.O.B.	Audi		Machinere	
	Supportive Services	Subtotal	Supportive Services	Subtotal	Trade Accounts	Notes Accounts					Trade Accounts	Subtotal	Trade Accounts	Subtotal
Cash	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000
Debits and accounts receivable	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Inventory of supplies	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total assets	100	3,000	100	3,000	100	3,000	100	3,000	100	3,000	100	3,000	100	3,000

LIABILITIES	P&S E.O.B.		TDS III		Special Projects		TDS E.O.B.	TDS E.O.B.	TDS E.O.B.	TDS E.O.B.	Audi		Machinere	
	Supportive Services	Subtotal	Supportive Services	Subtotal	Trade Accounts	Notes Accounts					Trade Accounts	Subtotal	Trade Accounts	Subtotal
Cash payable	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000
Accounts payable	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Due to other funds	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total liabilities	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000

E.O.B. NET WORTH (EQUITY)	P&S E.O.B.		TDS III		Special Projects		TDS E.O.B.	TDS E.O.B.	TDS E.O.B.	TDS E.O.B.	Audi		Machinere	
	Supportive Services	Subtotal	Supportive Services	Subtotal	Trade Accounts	Notes Accounts					Trade Accounts	Subtotal	Trade Accounts	Subtotal
Participating interests of investors of supplies	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000
Total fund balance	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000

BANDON COUNCIL ON AGING, INC.
 THIBLAKE, LOUISIANA
 SCHEDULE OF EXPENDITURES - BUDGET VS ACTUAL
 FOR THE YEAR ENDED JUNE 30, 1980

	Budget	Actual	Variance - Favorable or (Unfavorable)
LOCAL			
Salaries	\$ 4,228	\$ 4,228	\$ 0.00
Fringe	500	500	0.00
Travel	648	648	0.00
Operating services	17,544	17,544	0.00
Operating supplies	372	372	0.00
Other	1,000	1,000	0.00
Capital outlay	8,128	8,128	0.00
Total	\$ 35,030	\$ 35,030	\$ 0.00
FOUN (ACT 135)			
Transfers to other funds:			
Title 111-B	\$ 11,718	\$ 11,718	\$ 0.00
SECTION 18			
Salaries	\$ 38,500	\$ 38,677	\$ 177.00
Fringe	7,320	7,548	228.00
Travel	780	732	(48.00)
Operating services	32,200	32,432	232.00
Operating supplies	3,600	3,208	(392.00)
Total	\$ 82,400	\$ 82,697	\$ 297.00
U.S.D.A.			
Transfers to Title 111-B-1	\$ 6,880	\$ 6,880	\$ 0.00
Transfers to Title 111-B-2	12,450	12,452	2.00
Total	\$ 19,330	\$ 19,332	\$ 2.00
SECTION 212			
Salaries	\$ 16,000	\$ 16,000	\$ 0.00
Fringe	3,878	3,878	0.00
Travel	554	554	0.00
Operating services	3,421	3,421	0.00
Other	260	260	0.00
Payments in lieu of rent	180	180	0.00
Total	\$ 23,993	\$ 23,993	\$ 0.00

UNION COUNCIL OF ADAMS, INC.
TALLAHASSEE, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET VS ACTUAL
YEAR ENDING 1990 30, 1997

	Budget	Actual	Variance- Favorable- (Unfavorable)
TITLE III-B ADMINISTRATION			
Salaries	\$ 3,000	\$ 3,425	\$ 567
Intngs	1,208	2,008	180
Travel	375	231	144
Operating services	3,428	3,137	311
Operating supplies	378	638	260
Payments in lieu of rent		788	788
Total	<u>\$ 11,397</u>	<u>\$ 11,237</u>	<u>\$ 160</u>
TITLE III-B SUPPORTIVE SERVICES			
Salaries	\$ 10,000	\$ 15,810	\$ 5,810
Fringe	2,400	4,912	2,512
Travel	1,314	340	221
Operating services	23,708	26,326	2,618
Operating supplies	5,165	1,759	3,406
Capital outlay	11,718	11,480	238
Other costs	1,844	929	1,915
Payments in lieu of rent		4,258	4,258
Total	<u>\$ 67,157</u>	<u>\$ 88,712</u>	<u>\$ 21,555</u>
TITLE III-Cel			
Salaries	\$ 20,555	\$ 26,308	\$ 5,753
Fringe	5,879	5,871	8
*Health:			
Saw fund	16,380	16,456	76
Labor and non-union	4,228	4,208	20
Travel	983	271	712
Operating services	16,564	18,388	1,824
Operating supplies	1,664	1,759	95
Other costs	792	985	193
Payments in lieu of rent		2,820	2,820
Total	<u>\$ 58,565</u>	<u>\$ 81,295</u>	<u>\$ 22,730</u>
ARBIT FUNDS			
Operating services	\$ 1,001	\$ 1,001	\$ 0
MISCELLANEOUS GRANT			
Transfers to Title III-B	\$ 4,380	\$ 4,380	\$ 0

PARISH COUNCIL ON AGENCIES, INC.
 SALISBURY, LOUISIANA
 SCHEDULE OF EXPENDITURES - BUDGET VS ACTUAL
 FOR THE YEAR ENDING JUNE 30, 1997

	Budget	Actual	Variance- Favorable (Unfavorable)
TITLE III-2			
Salaries	\$ 44,800	\$ 44,800	\$ 0.00
Fringe	8,740	7,475	1,265
Meals			
New food	12,000	21,358	9,358
Labor/over-edition	8,000	5,348	2,652
Travel	8,378	600	7,778
Operating services	12,887	14,885	(1,998)
Operating supplies	1,038	2,172	(1,134)
Other costs	1,000	924	76
Payments in lieu of rent		2,618	(2,618)
Total	<u>\$ 108,133</u>	<u>\$ 99,280</u>	<u>\$ 8,853</u>
TITLE III-B			
Salaries	\$ 200	\$ 197	\$ 3
Fringe	62	35	27
Travel	12	2	10
Operating services	119	804	(685)
Operating supplies	889	21	868
Payments in lieu of rent		22	(22)
Total	<u>\$ 1,282</u>	<u>\$ 1,081</u>	<u>\$ 201</u>
SEWER CENTER			
Operating services	\$ 3,185	\$ 2,427	\$ 758
Payments in lieu of rent		2,124	(2,124)
Transfer cost			
Total III-B	3,185	3,038	147
Total III-2	<u>111,318</u>	<u>102,748</u>	<u>8,570</u>
Total	<u>\$ 219,451</u>	<u>\$ 201,928</u>	<u>\$ 17,523</u>
TITLE III-C			
Operating supplies	<u>\$ 1,882</u>	<u>\$ 1,280</u>	<u>\$ 602</u>

II. INTERNAL CONTROL AND COMPLIANCE

FRANK Q. RICHARDSON
CERTIFIED PUBLIC ACCOUNTANT
Post Office Box 604
Thibodaux, LA 71284
601-734-8114

REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To The Board of Directors
Madison Council on Aging, Inc.
Thibodaux, LA

I have audited the general purpose financial statements of Madison Council on Aging, Inc., for the year ended June 30, 1993, and have issued my report thereon dated December 22, 1993.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audit of State and Local Governments." These standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing my audit of the general purpose financial statements of Madison Council on Aging, Inc., for the year ended June 30, 1993, I considered the Council's internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the Council's general purpose financial statements and not to provide assurance on the internal control structure.

The management of Madison Council on Aging, Inc., is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I have classified the significant internal control structure policies and procedures in the following categories:

Accounting Controls
Treasury of financing
Revenues/vouchers
Purchases/disbursements
External financial reporting
Payroll/personnel
Budgeting and budget reporting.

Administrative Controls
General requirements:
Political activity
Civil Rights
Cash management
Federal financial report
Allowable cost/cost principles
Drug Free Work Place Act
Administrative requirements

Specific requirements:
Types of services allowed or not allowed
Eligibility
Reporting

For all of the control categories listed above, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level, the risk that errors or irregularities 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. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of Madison Council on Aging, Inc. management and interested state and federal agencies. This restriction is not intended to limit the distribution of the report, which is a matter of public record.



DAVID G. RICHARDSON
CERTIFIED PUBLIC ACCOUNTANT
Post Office Box 8081
Tallahassee, LA 32304
Tel: 904/574-0514

REPORT OF INDEPENDENT AUDITORS ON THE INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To The Board of Directors
Madison Council on Aging, Inc.
Tallahassee, LA

I have audited the general purpose financial statements of Madison Council on Aging, Inc., for the year ended June 30, 1997, and have issued my report thereon dated December 22, 1997.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-135, "Audits of State and Local Governments". Those standards and OMB Circular A-135 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing my audit for the year ended June 30, 1997, I considered the Council's internal control structure in order to determine my auditing procedure for the purpose of expressing my opinion on the Council's general purpose financial statements, but not to provide assurance on the internal control structure. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. I have addressed policies and procedures relevant to my audit of the general purpose financial statements in a separate report dated December 22, 1997.

The management of Madison Council on Aging, Inc., is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition; that transactions are executed in accordance with management's authorization and recorded properly; to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles; and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I have classified the significant internal controls, structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls
Treasury of financing
Revenue/receipts
Purchases/disbursements
External financial reporting
Payroll/personnel
Budgeting and budget reporting

Administrative Controls
General requirements
Political activity
Civil Rights
Cash management
Federal financial reports
Allowable cost/cost principle
Drug Free Work Place Act
Administrative requirements

Specific requirements:
Types of services allowed or not allowed
Eligibility
Reporting

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures, determined whether they have been placed in operation, and I assessed control risk.

During the year ended June 30, 1997, Madison Council on Aging, Inc. had no major federal financial assistance programs and expended 68% of its total federal financial assistance under the following nonmajor federal financial assistance programs:

Special Programs for the Aging - Title III, Part C - Nutrition Services

Special Programs for the Aging - Title III-B-Supportive Services

I performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I have considered relevant to preventing, or detecting, material noncompliance with specific and general requirements that are applicable to the aforementioned nonmajor programs. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

Page Three
To The Board of Directors
Madison Council on Aging, Inc.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce, to a relatively low level, the risk that errors or irregularities 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. I noted no matters involving the internal control structure and its operations that I consider to be material weaknesses as defined above.

This report is intended for the information of the management of Madison Council on Aging, Inc., and interested state and Federal agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Tulhatch, LA
December 22, 1997



DAVID Q. KICHLARISHIN
CERTIFIED PUBLIC ACCOUNTANT
POST OFFICE BOX 5091
TALHASSA, LA 32305
C0181 574-0814

REPORT OF INDEPENDENT AUDITORS IN COMPLIANCE WITH
LAWS AND REGULATIONS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To: The Board of Directors
Madison Council on Aging, Inc.
Tallahassee, LA

I have audited the general purpose financial statements of Madison Council on Aging, Inc., as of and for the year ended June 30, 1997, and have issued my report thereon dated December 22, 1997.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audit of State and Local Governments". These standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Madison Council on Aging, Inc., is the responsibility of Madison Council on Aging, Inc., management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of Madison Council on Aging, Inc.'s compliance with certain provisions of laws, regulations, contracts and grants. However, my objective was not to provide an opinion on overall compliance with such provisions.

The results of my tests indicate, with respect to the items tested, that Madison Council on Aging, Inc., complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that Madison Council on Aging, Inc. had not complied, in all material respects, with those provisions.

This report is intended for the information of Madison Council on Aging, Inc., management and interested state and federal agencies. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Tallahassee, LA
December 22, 1997



DAVID G. RICHARDSON
CERTIFIED PUBLIC ACCOUNTANT
POST OFFICE BOX 8821
TALLAHASSEE, FLA. 32304

CPA# 574-0514

REPORT OF INDEPENDENT AUDITORS IN COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

To The Board of Directors
Madison Council on Aging, Inc.
Tallahassee, LA

In connection with my audit of the June 30, 1987 general purpose financial statements of Madison Council on Aging, Inc., and with my study and evaluation of its internal control systems used to administer federal financial assistance programs (as required by OMB Circular A-128, "Audit of State and Local Governments"), I selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1987.

As required by OMB Circular A-128, I have performed auditing procedures to test compliance with requirements that govern types of services allowed or unallowed, and eligibility and reporting that are applicable to those transactions. My procedures were substantially less in scope than an audit, the objective of which is to express an opinion on Madison Council on Aging, Inc.'s compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that Madison Council on Aging, Inc. had not complied, in all material respects, with these requirements. Also, the results of my procedures did not disclose any immaterial instances of noncompliance with these requirements.

This report is intended for the information of Madison Council on Aging, Inc., management and interested state and federal agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Tallahassee, LA
December 23, 1987



MADISON COUNCIL ON AGING, INC.
TALLULAH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 1997

Name Listed	Number	Dollar Amount
	Of Items	
	-0-	-0-

DAVID Q. WHITLANDSON
Government Finance Administrator
Post Office Box 8001
Tulouis, LA 71284
(504) 574-0514

REPORT OF INDEPENDENT AUDITOR'S COMPLIANCE WITH THE GENERAL
REQUIREMENTS APPLICABLE TO FEDERAL ASSISTANCE PROGRAMS

To The Board of Directors
Madison Council on Aging, Inc.
Tulouis, Louisiana

I have audited the general purpose financial statements of Madison Council on Aging, Inc. As of and for the year ended June 30, 1997, and have issued my report thereon dated December 22, 1997.

I have applied procedures to test the Madison Council on Aging, Inc.'s compliance with the following requirements applicable to its federal financial assistance programs which are identified in the Schedule of Federal Financial Assistance for the year ended June 30, 1997, political activity, civil rights, cost management, federal financial reports, drug-free workplace act and administrative requirements.

My procedures were limited to the applicable procedures described in the *Government Auditing Standards* issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments". My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Madison Council on Aging, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that the Madison Council on Aging, Inc. had not complied in all material respects with those requirements.

This report is intended for the information of the Madison Council on Aging, Inc., and the Louisiana Legislative Auditor's Office. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Tulouis, Louisiana
December 22, 1997

David Whitlandson

MADISON COUNCIL ON AGING, INC.
TALLULAH, LOUISIANA
EXIT CONFERENCE
JUNE 30, 1997

The exit conference was held on December 22, 1997 at the office of Madison Council on Aging, Inc. Present at the meeting were Aubrey Ogden, Director, Lila Fontana, Bookkeeper, and David Richardson, CPA. The following items were discussed:

Budget on Local Funds

The Council's management did not prepare budgets for the local operating funds on Section XIX for the year ended June 30, 1997.

Deficit

In 1997 a \$2,189 loss was incurred in Section 18 which brought the deficit in the fund to a \$21,181 balance. This loss was not the result of over spending, but because the fund did not realize the revenue that was planned for.

Mr. Ogden and Mrs. Fontana responded as follows:

Budget on Local Funds

Budgets on these funds were started, but just not finalized. In the past, these funds had very few transactions and dealt with very little money. Now they are becoming more of a part of the day to day operations and in the current year will be planned and budgeted like the other funds.

Deficit

Section 18 is a very big concern. In the 97-98 fiscal year they will receive \$14,579 more through the police jury than they did in the 96-97 fiscal year. This should result in a profit in the fund which will reduce the deficit some. The deficit has been funded by loans from local funds. These loans may need to be made periodic to remove the deficit.

Corrective Action Taken on Prior Year Findings:

Budgets and Local Funds

The Council's management has not corrected this deficiency yet.

Monthly Reports

The problems with the monthly reports in the year ended June 30, 1996 have been corrected.