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CARDO COUNCIL ON AGING, INC.

MONROE, LOUISIANA

JUNE 16, 1993

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Review Date JAN 9 7 1998

CALLED COUNCIL ON AGING, INC.

SHREVEPORT, LOUISIANA

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CADDO COUNCIL ON AGING, INC.

BIRENBOUL, LOUISIANA

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AUDITED FINANCIAL STATEMENTS

September 26, 1997

Board of Directors
Caddo Council on Aging, Inc.
Shreveport, Louisiana

Independent Auditor's Report

We have audited the accompanying general-purpose financial statements of Caddo Council on Aging, Inc., as of and for the year ended June 30, 1997. These general-purpose financial statements are the responsibility of the management of Caddo Council on Aging, Inc. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In accordance with Government Auditing Standards, we have also issued our report dated September 26, 1997 on our consideration of Caddo Council on Aging's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Heard McElroy & Vestal, LLP

CADRELLCUMMILLON AIRING, INC.

COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUPS

AT JUNE 30, 1997

ASSETS	Governmental Fund Type	
	General	Special Excess
Cash-Note 3	114,085	85,880
Accounts receivable	82	2,730
Contracts receivable-Note 4	-	185,520
Accounts receivable-other funds-Note 13	19,097	-
Prepaid expenses	79,342	15,001
Fiscal assets-Note 14	-	-
Amount to be provided for retirement of general long-term debt	-	-
Total assets	<u>286,486</u>	<u>289,131</u>
LIABILITIES AND FUND EQUITY		
Liability:		
Accounts payable	157	7,419
Accounts payable-other funds-Note 13	-	89,091
Deferred income	2,588	12,580
Long-term debt-accumulated unpaid vacation-Note 15	-	-
Total liabilities	2,752	109,090
Fund Equity:		
Fund balance-reserved	79,342	171,539
Fund balance-unreserved	196,387	-
Investment in general fund assets	-	-
Total fund equity	<u>286,486</u>	<u>171,539</u>
Total liabilities and fund equity	<u>286,486</u>	<u>289,131</u>

The accompanying notes are an integral part of this statement.

Account Groups		Totals	
General Fund Assets	General Long-Term Funds	Information Only	
		2021	2020
-	-	280,583	279,884
-	-	2,788	2,408
-	-	185,320	58,368
-	-	29,057	838
-	-	88,363	79,179
308,879	-	308,879	294,367
-	20,096	20,096	18,061
308,879	20,096	328,975	312,428
-	-	7,682	16,983
-	-	39,037	688
-	-	14,898	14,086
-	20,096	20,096	18,061
-	20,096	61,693	30,599
-	-	244,877	187,847
-	-	138,387	159,289
308,879	-	318,879	324,787
308,879	-	325,943	381,203
308,879	20,096	328,975	402,406

CARENO COUNCIL ON AGING, INC.

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCE-ALL GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED JUNE 30, 1997

	General	Special Revenues	Total Memorandum Only	
			1997	1996
Revenues				
Intergovernmental:				
Office of Elderly Affairs	52,121	1,257,309	1,289,430	1,254,617
Action Agency	-	203,525	203,525	248,858
Community Development				
Block Grant	-	114,088	114,088	53,311
Caldic Parish	45,000	-	45,000	26,800
City of Shrewsbury	58,000	-	58,000	38,813
Public support:				
United Way	-	13,170	13,170	13,803
Donations	-	57,021	57,021	3,894
Interest income	3,724	3,214	11,088	8,590
Participant and program income	-	110,475	110,475	77,373
Fund raising revenues	-	23,900	23,900	23,300
March funds (in-kind)	-	24,137	24,137	28,233
Other revenues	2,343	50,586	53,129	18,707
Total revenues	157,438	1,946,651	2,104,089	1,875,847
Expenditures				
Current:				
Salaries	18,600	832,813	851,414	806,600
Fringe benefits	3,890	96,673	98,663	84,247
Travel	384	88,132	88,716	114,878
Operating services	18,831	394,000	394,051	288,648
Operating supplies	793	35,280	36,083	34,424
Supplies	-	104,346	104,346	104,344
Meals	-	416,316	416,316	434,533
Other costs	3,000	128,283	129,350	87,317
Capital outlay	4,358	23,268	26,728	28,878
Total expenditures	37,456	1,879,718	2,006,121	1,885,388
Excess of revenues over expenditures	119,982	67,933	87,968	689,459
Other financing sources (uses)				
Operating transfers in-New 12	-	362,483	362,483	443,284
Operating transfers out-New 12	(114,256)	(248,228)	(362,483)	(244,794)

The accompanying notes are an integral part of this statement.

CARDO COUNCIL ON LAGUNA, INC.

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCE-ALL GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED JUNE 30, 1992

	General	Special Revenue	Totals	
			Debit/Credit Balance Only 1992	1991
Excess of revenues and other resources over expenditures and other uses	5,719	81,189	87,918	(189,461)
Card balance				
Beginning of year	298,808	89,146	387,954	390,007
End of year	304,527	170,335	474,862	287,146

The accompanying notes are an integral part of this statement.

CADDO COUNCIL ON AGING, INC.

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE BUDGET (GAAP BASIS) AND ACTUAL (GENERAL FUND TYPE)
FOR THE YEAR ENDED JUNE 30, 1992

	Budget	Actual	Variance Favorable (Disfavorable)
Revenues			
Incorporational:			
Office of Elderly Affairs	32,371	32,371	-
Caddo Parish	45,000	45,000	-
City of Shreveport	30,000	30,000	-
Interest income	7,797	7,774	(11)
Match funds (in-kind)	32,400	-	(32,400)
Other revenues	32,617	2,242	(30,375)
Total revenues	180,905	137,438	(43,467)
Expenditures			
Current:			
Salaries	30,404	30,102	302
Fringe benefits	2,145	1,990	155
Travel	147	384	(237)
Operating services	30,142	30,021	121
Operating supplies	1,035	799	236
Other costs	504	1,000	(496)
Capital outlay	41,889	4,168	37,721
Total expenditures	107,166	37,833	69,333
Excess of revenues over expenditures	73,739	139,605	65,866
Other financing sources (uses)			
Operating transfers in	-	-	-
Operating transfers out	(113,739)	(114,250)	511
Excess of revenues and other sources over expenditures and other uses	-	5,739	(5,739)
Fund balance:			
Beginning of year	133,440	135,080	1,640
End of year	133,440	133,722	(668)

The accompanying notes are an integral part of this statement.

CALICO COUNCIL ON AGING, INC.

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCE BUDGET (GAAP BASIS) AND ACTUAL-SPECIAL REVENUE FUND TYPE

FOR THE YEAR ENDED JUNE 30, 1992

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental:			
Office of Elderly Affairs	1,250,844	1,257,299	6,455
Action Agency	419,294	293,525	(125,769)
Community Development Block Grant	108,840	114,888	6,047
Public support:			
United Way	13,176	13,078	(98)
Donations	40,226	57,823	17,597
Interest income	2,313	3,214	901
Participant and program income	103,188	118,475	15,287
Fund raising revenues	18,878	22,538	3,660
Mails, Rents (in-kind)	23,289	24,133	844
Other revenues	58,628	58,238	(390)
Total revenues	2,858,194	3,948,851	1,090,657
Expenditures			
Current:			
Salaries	853,617	832,813	20,804
Fringe benefits	97,979	96,673	1,307
Travel	88,428	88,232	196
Operating services	188,398	194,618	(6,220)
Operating supplies	36,455	38,298	(1,843)
Depreciation	248,308	364,248	(115,940)
Mails	413,287	416,316	(3,029)
Other costs	363,327	128,352	234,975
Capital outlay	23,258	23,268	(10)
Total expenditures	2,118,952	1,878,718	240,234
Excess of revenues over fund(s) expenditures	739,242	1,070,133	330,891
Other financing sources (uses)			
Operating transfers in	363,885	363,483	402
Operating transfers out	(254,754)	(288,228)	33,474
Excess of revenues and other sources over expenditures and other uses	109,133	75,255	33,878
Fund balance			
Beginning of year	156,523	89,146	67,377
End of year	265,656	164,401	101,255

The accompanying notes are an integral part of this statement.

CADDO COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
(JUNE 30, 1981)

1. Summary of Significant Accounting Policies

a. Reporting Entity:

In 1964, the State of Louisiana passed Act 456 which authorized the charter of voluntary councils on aging for the welfare of the aging people in their respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The Caddo Council on Aging, Inc. is a quasi-governmental entity 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 Caddo 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 21 voluntary members who serve three-year terms, govern 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 *Audit of State and Local Governmental Units*, the industry audit guide issued by the American Institute of Certified Public Accountants; *Subsection 91 - Annual Financial Reporting*, accounting issued by Governor's Office of Elderly Affairs contractors; and the *Louisiana Governmental Audit Guide*.

3. 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, fund equity, revenues, and expenditures, as appropriate. Revenues 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: general funds and special revenue funds, and two fund categories or account groups: the General Fund Assets Account Group and the General Long-Term Debt Account Group.

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 measured 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. During the fiscal year, the City of Shreveport provided \$90,000, and Caddo Parish provided \$45,000. All funds are provided to help the Council finance its operations and all proceeds from these funds can be used by the Council at its discretion.

The Council's program participants also generate revenues through certain fundraising activities that are not sponsored by any particular grant award. Revenues and expenses relating to these activities are accounted for as part of the Special Revenue Fund's local program.

PECA (Act 715)

PECA (Act 715) funds are appropriated for the Governor's Office of Elderly Affairs by the Louisiana Legislature for assistance to the Council on Aging. The Council may use these "Act 715" funds at its discretion.

• Special Revenue Funds

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

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

1. *Summary of Significant Accounting Policies* (Continued)

1) **Title III-C Administration Fund**

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

2) **Title III-D Supportive Services Fund**

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 "passes through" the funds to the Council.

This program provides access services, in-home services, community services, legal assistance, and transportation for the elderly.

3) **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.

4) **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 homebound older persons.

5) **Title III-D 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.

6) **Title III-A Guardianship**

The Guardianship 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 a balance between the resident, the family and the nursing home. The objective of the program is to protect the resident's rights.

1. Summary of Significant Accounting Policies (Continued)

7) Title III-Fund (Elderly)

The Title III-Fund is used to account for funds used for disease prevention and health promotion activities including (1) equipment and materials (scales to weigh people, educational materials, and exercise equipment), (2) home injury control, (3) medication management, (4) mental health, (5) nutrition (assessment/screening, counseling, and education). The law directs the state agency administering this program to "give priority to areas of the state which are medically underserved and in which there are a large number of older individuals who have the greatest economic and social need." Title III-Fund 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.

8) 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 congruente and home-delivered meal served to an eligible participant or that United States food and commodities may be purchased to supplement these programs.

9) 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.

10) 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.

11) Retired Senior Volunteers Program (RSVP)

The RSVP Fund accounts for the administration of RSVP grants that provide a variety of opportunities for retired persons, age 68 and over, to serve their community through significant volunteer service.

1. Summary of Significant Accounting Policies (Continued)

12) Foster Grandparents Program (FGP)

The FGP Fund accounts for the administration of grants to (a) provide part-time volunteer service opportunities for low-income people age 60 and over and, (b) give supportive person-to-person service in health, education, welfare and related settings to help alleviate the physical, mental and emotional problems of infants, children or youth having special or exceptional needs.

13) Local and Miscellaneous (Designated) Funds

Local and miscellaneous (designated) funds include the Meals on Wheels Fund, the Pioneer Medical Services Fund, and the Medicaid Waiver Services Fund. These funds are used to provide a variety of services for program participants.

4. Account Groups

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

General Fixed Assets

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

General Long-Term Debt

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

6. 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 financing 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.

3. Summary of Significant Accounting Policies (Continued)

e. 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.

g. Budget Policy:

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

- The Governor's Office of Embrly Affairs (GOEA) and other funding agencies notify 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 Embrly Affairs or other appropriate funding agency for final approval.
- Most 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 respective funding agency for funds received under grants from each agency.

h. Total Columns of Combined Statements - Overview:

Total columns on the combined statements - overview are captioned "nonrecurring 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. Interfund eliminations have not been made in the preparation of this data.

i. Summary of Significant Accounting Policies (Continued)

h. Fixed Assets:

Fixed assets used in general or special revenue fund type operations (general fixed assets) are accounted for in the General Fixed Asset Account Group, and are recorded as expenditures (capital outlay) in the various funds when purchased.

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.

j. Comparative Data:

Comparative data for the prior year has 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 has not been presented in each of the statements since their inclusion would make the statement unduly complex and difficult to read.

k. 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.

l. Related Party Transactions:

No significant related party transactions were noted during the fiscal year.

m. Restricted Assets:

Restricted assets represent assets which have been primarily acquired through donations whereby the donor has placed a restriction on how the donation can be used by the Council. Restricted assets are offset by a corresponding reservation of the Council's fund balance.

n. Reservation of Fund Balances:

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

o. Prepaid Expenses:

The Council has elected not to expense amounts paid for future services until those services are consumed to comply with the cost reimbursement terms of its grant agreements. Prepaid expenses include advance payments for insurance premiums and developments on the purchase of new vans. Fund balance has been reserved for the prepaid expenses to reflect the amount of fund balance not currently available for expenditure.

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

Intergovernmental Grants

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

Senior Center, State Allocation (Act 785), Title III B, C-1, C-2, D, G, Caribuchman, Foster Grandparent's Program and R.S.V.P. funds are received as a monthly allocation of the total grant in advance of the actual expenditures, but are not susceptible to accrual as revenues until the actual expenditures are made. Audit funds are also recognized as revenue once the related cost has been incurred, and the grant reimbursements is measurable and available.

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

Public Support and Miscellaneous Revenues

The Council encourages and receives contributions from clients to help offset the costs of various programs. The City of Shrewsbury, Catholic Parish, and the United Way provide funds to the Council. In addition, various fund raises are held during the year to obtain funds to offset costs of general operations and senior center activities. The timing and amounts of the receipts of public support and miscellaneous revenues is difficult to predict; therefore, they are not susceptible to accrual and are recorded as revenue in the period received.

3. Cash in Bank

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

Petty cash	135
Payroll-checking	3,682
Operating-checking	21,141
Interest-bearing accounts	<u>135,885</u>
Cash on deposits in banks	<u>200,843</u>

All of these deposits were covered by federal deposit insurance.

4. Contracts Receivable

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

Program	Fund	Amount
Caribuchman, GDEA	Special Revenue	2,690
Title III-B Supportive Services, Other	Special Revenue	348
U.S.D.A., GDEA	Special Revenue	32,385
City of Shrewsbury, CDBG	Special Revenue	62,138
Other	Special Revenue	<u>8,281</u>
		<u>105,842</u>

5. In-kind Contributions

In addition to in-kind revenues presented in this report, the Council received \$40,632 in various in-kind contributions during the year which have been valued at their estimated fair market value.

In-kind contributions consisted of the following:

<u>(Dollars)</u>	
Title III-D Supportive Services:	
Wages and fringe benefits for subutilized workers	2,270
Title C-1: Free rent for the senior centers and volunteer workers	14,400
Senior Development: Volunteer labor (professional)	14,880
Senior Development: Meals and travel	8,087
Title III-F: Volunteer labor (professional)	995
Total	<u>\$40,632</u>

6. Board of Directors' Compensation

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

7. Lease Commitments

The Council leases its main office building at 4015 and 4019 Greenwood Road, Shreveport, Louisiana. The terms of this lease require monthly payments of \$1,800, which includes \$500 a month as payment for 4019 Greenwood Road. This lease expires February 21, 1998. The Council is responsible for normal repairs and maintenance, and the lease pays for insurance on the building itself.

The Council also leases the Senior Center building located at 3715 and 3718 Lakeshore Drive in Shreveport. This lease currently runs for a five year term to April 30, 1999, and requires a monthly rent of \$1,700. However, the lease agreement specifically provides for an annual renewal proffered on and subject to first funding of the Council.

Future minimum lease payments for the next five years ending June 30, and in the aggregate, are as follows:

1998	14,400
1999	-
2000	-
2001	-
2002	-
Total	<u>14,400</u>

8. Income Tax Status

The Council is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code.

9. Judgments, 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.

9. Judgments, Claims, and Similar Contingencies (Continued)

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.

10. Federally-Assisted Programs

The Council participates in a number of federally assisted programs. These programs are audited in accordance with the Single Audit Act, as amended. 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.

In accordance with the Single Audit Act, as amended, and the Office of Management and Budget Circular A-133 (revised), a schedule of federal financial assistance is presented in the supplementary financial information portion of this report.

11. Economic Dependence

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

12. Interfund Transfers

Operating transfers in and out are listed by fund for 1997:

	Operating Transfers In	Operating Transfers Out
General Fund:		
State (Act 735) fund	-	32,121
Local	-----	62,135
Total General funds	-	94,256
Special Revenue Funds:		
Title III-C Administration	17,700	-
Title III-B Supportive Services	208,216	-
U.S.D.A.	-	109,676
Title III-C-1 Congregate Meals	32,819	-
Title III-C-2 Home Delivered Meals	87,035	-
Title III-D Homebound Services	1,884	-
Title III-F Frail/Elderly	443	-
ACTION-SERV* Grant	3,036	-
ACTION-POP Grant	211	-
Senior Center	-	130,085
RSVP Special	300	3,085
FGP Special	-	211
Local	10,788	5,158
Total Special Revenue funds	362,482	248,235
Total all funds	362,482	342,491

13. **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, follows:

	Due From Other Funds	Due to Other Funds
General Fund	89,057	-
Special Revenue Fund:		
U.S.D.A.	-	32,897
ACTION-BSWP Grant	-	(13,857)
ACTION-PSP Grant	-	(16,582)
Title III-A Disadvantaged	-	2,124
Title III-C-1 Administration	-	(339)
Title III-B Supportive Services	-	(1,162)
Title III-C-1 Congregate Meals	-	(244)
Title III-C-2 Home Delivered Meals	-	38,895
Title III-D Homebased Services	-	(134)
Title III-F Prall Elderly Services	-	89
Senior Center	-	(175)
Local and other	-----	(23,261)
Total Special Revenue funds	-----	18,852
Total all funds	<u>89,057</u>	<u>18,852</u>

14. **Fixed Assets**

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

	Balance 6-30-96	Additions	Deletions	Balance 6-30-97
General fixed assets, at cost:				
Furniture and equipment	86,588	11,899	2,616	94,943
Vehicles	284,167	15,638	-	319,805
Leasehold improvements	-4,092	-----	-----	-4,092
Total general fixed assets	<u>286,763</u>	<u>27,537</u>	<u>2,616</u>	<u>319,879</u>

15. **Changes in Long-Term Debt**

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

	Balance 6-30-96	Additions	Balance 6-30-97
Accumulated unpaid vacation	28,081	1,416	29,497

SUPPLEMENTARY FINANCIAL INFORMATION

September 26, 1997

Board of Directors
Cable Council on Aging, Inc.
Shreveport, Louisiana

Independent Auditor's Report on Supplementary Financial Information

We have audited the general-purpose financial statements of Cable Council on Aging, Inc., as of and for the year ended June 30, 1997, and have issued our report thereon dated September 26, 1997. These general-purpose financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements of Cable Council on Aging, Inc., taken as a whole. The accompanying supplementary financial information (Pages 19 through 27) is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

Heard McElroy & Vestal, LLP

CADDO COUNCIL ON AGING, INC.

COMBINED STATEMENT OF PROGRAM REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCE-GENERAL FUNDS

FOR THE YEAR ENDING JUNE 30, 1993

	Local (Unamort)	State Funds -44,725	Total
Revenues			
Intergovernmental:			
Office of Elderly Affairs	-	52,121	52,121
Action Agency	-	-	-
Caddo Parish	45,000	-	45,000
City of Shreveport	50,000	-	50,000
Interest Income	1,774	-	1,774
Misc. funds (in-kind)	-	-	-
Other revenues	<u>2,543</u>	<u>-</u>	<u>2,543</u>
Total revenues	<u>199,317</u>	<u>52,121</u>	<u>157,436</u>
Expenditures			
Current:			
Salaries	75,182	-	75,182
Fringe benefits	1,680	-	1,680
Travel	384	-	384
Operating services	10,021	-	10,021
Operating supplies	783	-	783
Other costs	1,085	-	1,085
Capital outlay	<u>4,160</u>	<u>-</u>	<u>4,160</u>
Total expenditures	<u>92,455</u>	<u>-</u>	<u>92,455</u>
Excess of revenues over expenditures	106,862	52,121	149,983
Other financing sources (used)			
Operating transfers in	-	-	-
Operating transfers out	<u>(62,135)</u>	<u>(20,121)</u>	<u>(82,256)</u>
Excess of revenues and other sources over expenditures and other uses	5,727	-	5,727
Fund balance			
Beginning of year	<u>178,828</u>	<u>-</u>	<u>178,828</u>
End of year	<u>200,728</u>	<u>-</u>	<u>200,728</u>

CADDOCOUNCIL ON AGING, INC.

COMBINED STATEMENT OF PROGRAM REVENUES, EXPENSES AND

CHANGES IN FUND BALANCE-SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 1997

	Title III C-1 Administration	Title III-B Services	Title III C-1	Title III C-2	Title III C-3
Revenues					
Intergovernmental					
Office of Elderly Affairs	64,259	314,305	105,839	285,585	3,176
Action Agency	-	-	-	-	-
Community Development	-	-	-	134,088	-
Block Grant	-	-	-	-	-
Public support:					
United Way	-	-	-	-	-
Donations	-	-	-	-	-
Interest income					
Participant and program income	-	6,522	24,707	15,331	758
Fund raising revenues	-	-	-	-	-
Match funds (if-kind)	-	-	-	-	-
Other revenues	-	-	118	-	58
Total revenues	<u>64,259</u>	<u>320,745</u>	<u>218,946</u>	<u>414,912</u>	<u>7,476</u>
Expenditures					
Current:					
Salaries	64,778	300,361	95,152	132,939	6,173
Fringe benefits	5,349	48,449	8,588	12,717	1,808
Travel	628	12,783	853	68,135	1,144
Operating services	7,899	86,744	15,564	18,474	320
Operating supplies	442	22,130	3,844	3,609	51
Supplies	-	-	-	-	-
Meals	-	-	128,415	272,636	-
Other costs	2,474	11,588	345	483	3
Capital outlay	-	-	-	-	-
Total expenditures	<u>81,468</u>	<u>501,261</u>	<u>252,358</u>	<u>500,877</u>	<u>8,139</u>
Excess of revenues over funds expenditures					
	(17,209)	(180,516)	(33,412)	(85,965)	(1,663)
Other financing sources/funds					
Operating transfers in	13,700	208,216	32,819	87,655	1,894
Operating transfers out	-	-	-	-	-
Excess of revenues and other sources over funds expenditures and other uses					
	-	-	-	-	-
Fund balance					
Beginning of year	-	-	-	-	-
End of year	-	-	-	-	-

Title 18-A Continuation	Title 18 P	U.S.D.A.	Service Center	Audit Fund
34,041	11,993	119,082	176,902	6,990
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	680	-	-	-
<u>34,041</u>	<u>12,583</u>	<u>119,082</u>	<u>176,902</u>	<u>6,990</u>
34,988	1,259	-	16,338	-
3,582	115	-	3,273	-
1,882	3	-	-	-
3,147	957	-	26,916	6,959
2,385	89	-	1,083	-
-	-	-	-	-
-	-	-	-	-
289	3,513	-	-	-
-	<u>5,039</u>	-	-	-
<u>34,981</u>	<u>13,039</u>	-	<u>46,317</u>	<u>6,959</u>
-	(845)	139,082	190,085	-
-	443	-	-	-
<u>-</u>	<u>-</u>	<u>119,037</u>	<u>190,085</u>	<u>-</u>
-	-	9,485	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>2,482</u>	<u>-</u>	<u>-</u>

CADDO COUNCIL ON AGING, INC.

COMBINED STATEMENT OF PROGRAM REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE-SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 1997

	Action BMAP Grant	Action Foster Grandparents	Local & Other	Total
Revenues				
Intergovernmental:				
Office of Elderly Affairs	19,534	73,311	-	1,251,309
Action Agency	45,583	343,942	-	299,579
Community Development Block Grant	-	-	-	114,088
Public support:				
United Way	-	-	13,170	13,170
Donations	-	-	57,027	57,027
Interest income	-	21	3,260	3,381
Participant and program income	-	-	63,575	100,429
Fund raising revenues	-	-	32,934	32,934
Match funds (if-ited)	179	23,972	-	24,151
Other revenues	-----	-----	45,408	50,585
Total revenues	65,294	394,047	207,402	1,946,694
Expenditures				
Current:				
Salaries	44,455	41,212	54,298	812,817
Fringe benefits	4,263	3,789	3,168	95,672
Travel	1,097	4,028	4,869	88,537
Operating services	3,441	7,982	13,650	194,830
Operating supplies	476	291	1,068	35,294
Supplies	-	164,346	-	164,346
Meals	-	-	15,261	418,216
Other costs	11,638	48,630	47,369	318,157
Capital outlay	-----	-----	17,518	72,568
Total expenditures	66,369	270,278	181,222	1,378,738
Excess of revenues over funded expenditures				
	15,096	23,769	46,180	(52,067)
Other financing sources (uses)				
Operating transfers in	3,055	211	11,088	562,442
Operating transfers out	-----	-----	(16,465)	(248,274)
Excess of revenues and other sources over expenditures and other uses				
	-	23,960	46,803	87,189
Fund balance				
Beginning of year	-----	(2,530)	56,678	89,140
End of year	-----	16,430	145,482	131,515

FADED COUNCIL ON AGING, INC.

SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Expenditures	Actual Expenditures	Budgeted Over (Under) Actual Expenditures
State of Louisiana-Act 735			
Transfers to other funds:			
Title III B-Administration	17,398	17,700	(302)
Title III B-Supportive Services	<u>26,723</u>	<u>26,421</u>	302
Totals	<u>44,121</u>	<u>44,121</u>	-
Local Fund			
Salaries	18,434	18,502	(68)
Fringe benefits	2,145	1,958	187
Travel	147	384	(237)
Operating services	18,142	18,821	(679)
Operating supplies	1,825	793	1,032
Other costs	974	1,683	(709)
Capital outlay	41,328	4,168	37,160
Transfers to other funds:			
RSVP Special	-	300	(300)
Medicaid Waiver	1,247	18,788	(17,541)
Title III B-Supportive Services	47,694	42,710	4,984
Title III C-3-Home Delivered Meals	3,000	3,000	-
Title III E	657	1,894	(1,237)
Title III F	180	443	(263)
Totals	<u>53,804</u>	<u>67,233</u>	(13,429)
Title III C-1-Area Agency Administration			
Salaries	64,556	64,776	(220)
Fringe benefits	5,738	5,749	(11)
Travel	481	628	(147)
Operating services	7,948	7,680	268
Operating supplies	434	442	(8)
Other costs	2,130	2,428	(298)
Totals	<u>83,387</u>	<u>83,693</u>	(306)
Title III B-Supportive Services			
Salaries	257,924	260,364	(2,440)
Fringe benefits	48,481	48,049	432
Travel	16,665	32,703	(16,038)
Operating services	82,092	85,744	(3,652)
Operating supplies	32,825	32,116	709
Other costs	11,619	11,588	31
Totals	<u>449,606</u>	<u>459,564</u>	(9,958)

CAILDO COUNCIL, IMAGING, INC.

SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1992

	Budgeted Expenditures	Actual Expenditures	Budgeted Over (Under) Actual Expenditures
Title III-F: Post-Employment Services			
Salaries	1,314	1,299	95
Fringe benefits	120	115	5
Travel	3	3	-
Operating services	1,002	997	26
Operating supplies	89	89	0
Other costs	4,728	5,376	(648)
Capital outlay	3,058	3,058	-
Totals	12,313	13,888	1,575
USDA Cash in Lieu of Commodity			
Transfers to other funds:			
Title III C-1-Composite Meals	32,948	32,818	(271)
Title III C-2-Home Delivered Meals	88,349	76,851	11,498
	121,297	109,669	11,628
Senior Center Services			
Salaries	16,516	16,588	(72)
Fringe benefits	2,215	2,279	(64)
Travel	-	-	-
Operating services	17,876	16,918	958
Operating supplies	1,835	1,843	(8)
Transfer to Title III B-Supportive Services	128,988	138,853	(9,865)
Totals	178,390	175,482	2,908
Adult Fund			
Operating services	2,682	6,722	(4,040)
Adult BOPF Grant			
Salaries	42,682	44,423	(1,741)
Fringe benefits	3,991	4,285	(294)
Travel	1,653	3,087	(1,434)
Operating services	3,178	3,441	(263)
Operating supplies	681	476	205
Other costs	11,737	11,628	109
Totals	68,924	69,335	411

CADDO COUNCIL ON AGING, INC.

SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 1992

	Budgeted Expenditures	Actual Expenditures	Budgeted Over (Under) Actual Expenditures
 Foster Grandparents Program			
Salaries	63,360	41,212	22,148
Fringe benefits	5,743	3,789	1,954
Travel	6,848	4,038	2,810
Operating services	11,217	7,982	3,235
Operating supplies	523	281	242
Supplies	246,300	164,346	81,954
Other costs	17,858	48,000	30,142
 Totals	811,852	379,378	432,474
 Local and Other			
Salaries	31,002	34,288	(3,286)
Fringe benefits	7,032	7,189	(157)
Travel	4,345	4,889	(544)
Operating services	15,307	15,000	307
Operating supplies	1,035	1,068	?
Meals	15,508	15,281	227
Other costs	46,244	47,360	(1,116)
Capital outlay	20,888	17,538	3,350
Transfers to other funds:			
Title III C-3 Home Delivered Meals	5,188	5,188	-
ACTION-FDP	1,238	211	1,027
ACTION-RSNP	5,622	3,096	2,526
 Totals	135,538	102,682	32,856

CARDO COUNCIL ON AGING, INC.

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS

FOR THE YEAR ENDED JUNE 30, 1987

	Balance 6-30-86	Additions	Deletions	Balance 6-30-87
General fixed assets, at cost:				
Furniture and equipment	85,588	11,858	2,616	94,830
Vehicles	284,167	15,638	-	299,805
Leasehold improvements	4,093	-	-	4,093
Total general fixed assets	293,788	27,496	2,616	318,668
Investment in general fixed assets:				
Leasehold improvements acquired prior to July 1, 1987*	4,093	-	-	4,093
Property acquired with funds from:				
Local funds (measurand)	215,618	4,368	1,940	217,836
Art TSP funds	30,328	-	-	30,328
OldFIA funds	33,647	-	-	33,647
Title III C-1 and C-2	933	-	-	933
Title III-B Supportive Services	1,128	-	-	1,128
Title III-F/Final Elderly	680	3,658	-	4,338
Senior Center	5,740	-	676	5,064
HSWP Grant funds	2,895	-	-	2,895
Job Training Partnership Act funds	1,464	-	-	1,464
Special	4,467	1,888	-	6,355
Donated assets	2,535	12,658	-	15,193
Total investment in general fixed assets	284,701	20,726	2,616	312,811

*Records reflecting sources from which assets were acquired were not maintained prior to July 1, 1987.

AGED COUNCIL ON AGING, INC.

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

FOR THE YEAR ENDED JUNE 30, 1997

Federal Grant/Pass-Through Grant/ Program Title	Federal CFDA Number	Program or Award Amount	Revenue Recognized	Expenses
Department of Health and Human Services				
Passed through the Louisiana Governor's Office of Elderly Affairs:				
Special Programs for the Aging:				
Title II B-Centerlines	93-044	28,943	28,943	28,943
Title II B-Supportive Services	93-044	186,549	<u>186,549</u> 215,402	<u>186,549</u> 215,402
Title II C-1-Area Agency Administration*	93-045	48,194	48,194	48,194
Title II C-1-Congregate Meals*	93-045	177,786	177,786	177,786
Title II C-2-Home Delivered Meals*	93-045	63,385	<u>63,385</u> 289,285	<u>63,385</u> 289,285
Title II D-In-Home Services	93-046	6,100	6,100	6,100
Title II F-Frail and Elderly Assistance	93-043	11,595	11,595	11,595
Department of Agriculture				
Passed through the Louisiana Governor's Office of Elderly Affairs:				
U.S.D.A. - Cash in Lieu of Commodities	18-578	147,186	149,882	808,676
Action				
Direct program:				
Retired Senior Volunteer Program (RSVP)	94-802	43,583	43,583	43,583
Foster Grandparents Program (FGP) (1995)	94-811	344,741	118,972	118,972
Foster Grandparents Program (FGP) (1996)	94-811	388,682	<u>128,939</u> 247,942	<u>128,939</u> 247,942
Department of Housing and Urban Development				
Passed through the City of Monroeville:				
Community Development Block Grant (1996)	14-218	183,580	51,930	51,930
Community Development Block Grant (1997)	14-218	121,581	<u>62,138</u> 114,068	<u>62,138</u> 114,068
Totals			1,089,172	1,089,171

*Major program

OTHER REPORTS

September 30, 1997

Board of Directors
Caddo Council on Aging, Inc.
Shreveport, Louisiana

**Report on Compliance and on Internal Control Over Financial Reporting
Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards**

We have audited the financial statements of Caddo Council on Aging, Inc., as of and for the year ended June 30, 1997, and have issued our report thereon dated September 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 Caddo Council on Aging'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 those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management in a separate letter dated September 30, 1997.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Caddo Council on Aging'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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Heard, McElroy & Vestal, LLP

September 26, 1997

Board of Directors
Cable Council on Aging, Inc.
Shreveport, Louisiana

**Report on Compliance with Requirements Applicable to Each
Major Program and Internal Control Over Compliance in
Accordance with OMB Circular A-133**

We have audited the compliance of Cable Council on Aging, Inc. with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1997. Cable Council on Aging's major federal programs are identified in the summary of auditor's conclusions of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Cable Council on Aging's management. Our responsibility is to express an opinion on Cable Council on Aging's compliance based on our audit.

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

In our opinion, Cable Council on Aging, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1997.

Internal Control Over Compliance

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

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

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

Heard, T.M. Elroy & Ushak, LLC

CADDO COUNCIL ON AGING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1991

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Caddo Council on Aging, Inc.
2. No reportable conditions relating to the audit of the financial statements are reported.
3. No instances of noncompliance material to the financial statements of Caddo Council on Aging, Inc. were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award program is reported.
5. The auditor's report on compliance for the major federal award programs for Caddo Council on Aging, Inc. expresses an unqualified opinion.
6. There are no audit findings relative to the major federal award programs for Caddo Council on Aging, Inc.
7. The programs tested as major programs included:

Program	CFDA No.
Title III C-1 Area Agency Administration	15.045
Title III C-1 Congregate Meals	93.045
Title III C-2 Home Delivered Meals	93.045

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Caddo Council on Aging, Inc. was determined to be a low-risk auditee.

B. Findings - Financial Statement Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs

None

CADDO COUNCIL ON AGING, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 1997

There are no findings and questioned costs relative to federal awards from prior years.

CANADIAN COUNCIL ON AIRLINE, INC.
EXIT CONFERENCE
FOR THE YEAR ENDED JUNE 30, 1997

An exit conference was held on November 18, 1997. Those in attendance were: Jim Taylor, Executive Director of the Council; Susan O'Carroll, Fiscal Director of the Council; and a representative of Havel, Mulliney & Vostal.

It was reported that our audit discovered no material weaknesses in the internal control structure. One immaterial instance of non-compliance with SOX requirements was noted and included in a separate management letter.



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September 30, 1997

**Board of Directors
Caddo Council on Aging, Inc.
Shreveport, Louisiana**

We have audited the financial statements of Caddo Council on Aging, Inc., as of and for the year ended June 30, 1997, and have issued our report thereon dated September 30, 1997.

We performed tests of the Council's 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. We noted the following immaterial instance of noncompliance.

Purchasing and Bid Requirements

Section 1281(D)(7) of the policy manual issued by the Louisiana Governor's Office of Elderly Affairs requires that purchases over \$2,000 but less than or equal to \$3,000 be made by sending written invitations for bids to at least eight qualified bidders. Our tests disclosed that the Council purchased a piece of equipment for \$2,200, but it sent no written invitations for bid on this item, and received only three price quotations. Discussions with management indicated that this noncompliance was an isolated case of oversight, and was not a recurring problem.

Because of the relatively small amount of the purchase, and the isolated nature of the transaction, we believe this noncompliance to be immaterial to the financial statements.

Heard, McElroy & Vestal, LLP

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