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Financial Report
West Baton Rouge Council on Aging, Inc.
Port Allen, Louisiana
June 30, 2004

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Release Date 1-12-05

Michael R. Choate & Company, CPAs
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Baton Rouge, Louisiana 70816

Financial Report

West Baton Rouge Council on Aging, Inc.
Port Allen, Louisiana

June 30, 2004

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Port Allen, Louisiana

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MANAGEMENT'S DISCUSSION AND ANALYSIS

West Baton Rouge Council on Aging, Inc.

The "Management's Discussion and Analysis" of the West Baton Rouge Council on Aging, Inc.'s (the Council) financial performance presents a narrative overview and analysis of the Council's financial activities for the year ended June 30, 2004. This report highlights the current year's activities, resulting changes, and relevant facts. Please read this report in conjunction with basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS (see condensed statements on page 6)

The most significant event of the year ended June 30, 2004 was the mid year retirement of long time Executive Director, Marsha B. Turner, and the hiring of Susan Devecka as the new Executive Director. The council also hired a new bookkeeper to replace another retiree. So this year has been a transitional year and here are the financial highlights:

The Council's assets exceeded its liabilities at the close of fiscal year 2004 by \$329,800 (net assets) which represents a 9% increase from last fiscal year.

Cash was \$304,105 at June 30, 2004 compared to \$313,519 at June 30, 2003. This is a decrease of \$9,414 or 3%.

The Council's revenue increased \$14,535 (or 2.5%) primarily due to an increase in property taxes of \$8,774 and grants \$5,656. Revenue decreased by \$21,470 as a result of the removal of fully depreciated furniture and equipment.

The Council's expenditures increased \$51,423 (or 9 %) primarily due to a increase in personnel of \$28,379 and a \$14,857 increase in capital outlay.

As a result of subtracting total expenditures from total revenue, the Council's net assets decreased by \$30,720 this fiscal year. Of this decrease, \$21,470 was the result of removing fully depreciated assets from service.

The Council did not have any funds with deficit fund balances. This is good and fiscally sound.

Capital assets increased by \$14,857. This increase was largely due to the purchase of 2 new vehicles. Capital assets decreased by \$21,470 for old furniture and equipment removed from service.

OVERVIEW OF THE FINANCIAL STATEMENTS – What’s included

This discussion and analysis is intended to serve as an overview to the Council’s basic financial statements. The Council’s annual report consists of five parts: (1) management’s discussion and analysis (this section) (2) basic financial statements (3) required supplementary information, and (4) the optional section that presents combining statements for non-major governmental funds and other supplementary information and (5) various governmental compliance reports and schedules by certified public accountants and management.

The basic financial statements include two kinds of statements that present different views of the Council:

Government-wide Financial Statements

The government-wide financial statements (see Exhibits A and B) are designed to provide readers with a broad overview of the Council’s finances, in a manner similar to a private sector business. The **statement of net assets** presents information on all of the Council’s assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating. The **statement of activities** presents information showing how the Council’s net assets change during each fiscal year (revenues less expenditures). All changes in net assets are reported as soon as the financial transaction occurs regardless of the timing of the related cash flows. Thus, revenues and expenditures are reported in this statement this fiscal year even though the resulting cash flow is in future fiscal years. The governmental activity of the Council is health and welfare which is comprised of various programs that include supportive services, nutritional services, utility assistance disease prevention, caregiver support and a multipurpose senior center in Port Allen, Louisiana.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Council are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current year inflows and outflows of cash, as well as on balances of spendable resources available at the end of the fiscal year. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to help with this comparison between governmental funds and governmental activities. (Exhibit D and E)

The Council has presented the General Fund, Title III B – Supportive Services Fund, Title III C-1- Congregate Meals Fund, Title III C-2 – Home Delivered Meals Fund, Millage Fund and Senior Center Fund as major funds. (Exhibit C & D) All non-major governmental funds are presented in one column, titled “Total Non-Major Funds”. Combining financial statements of the non-major funds can be found in the Combining Fund Statements that follow the basic financial statements (Page 32).

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted budget (Pages 27 to 30). In addition to these required elements, the Council has a section of supplementary information. The Governor’s Office of Elderly Affairs(GOEA) has required the Council to present combining statements that provide details about our non-major governmental funds and details about capital assets and the changes in capital assets. This information will be used by GOEA to verify the accuracy of information submitted to them during the year and to help monitor certain compliance requirements set forth in the grants that it has with the Council (Page 32 and 33).

The Office of Management and Budget (OMB) through its Circular A-133 requires a Schedule of Expenditures of Federal Awards. This schedule will present required information about the Council’s federally funded programs in a manner that can facilitate financial and compliance analysis by the agencies that have granted federal money. (Page 35)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets serve as a useful indicator of the Council’s financial position. As of June 30, 2004, assets exceeded liabilities by \$329,800. A large portion of the Council’s net assets (92%) reflects its cash position. The Council has a strong cash position.

Special Revenue Fund Budgetary Highlights

The budget was amended one time during the year. The primary reasons for amending the budget were to comply with the Council's grants for GOEA due to unanticipated changes in revenue and expenditures. The major differences between the original Special Revenue Fund budget and the final amended budget were as follows:

Revenues

- Ad-Valorem taxes increased by \$ 26,879.
- Senior Center grant increased by \$ 1,509.

Expenditures

- Capital outlay increased \$ 16,000 due to purchase of two additional vans and equipment.
- Personnel and fringe decreased \$ 20,180 for unfilled administrative positions.

During the year, revenues exceeded budgetary estimates and expenditures were increased to exceed budgetary estimates. Required supplementary information budgetary comparison schedules were prepared for the General Fund and each major Special Revenue Fund (Page 27 to 30).

CAPITAL ASSETS

The Council's investment in capital assets for its governmental activities as of June 30, 2004, amounts to \$ 33,698 (net accumulated depreciation). This investment in capital assets includes office furniture, fixtures, vehicles, machinery and equipment (see table below).

	<u>2004</u>	<u>2003</u>
Office furniture, fixtures and equipment	\$ 10,202.00	\$ 29,672
Vehicles	<u>206,268</u>	<u>193,411</u>
Sub Total	216,470	223,083
Less accumulated depreciation	<u>(182,772)</u>	<u>(165,045)</u>
Totals	<u>\$ 33,698</u>	<u>\$ 58,038</u>

Major capital asset events during the current fiscal year included the following:

- Purchase of 2 new vehicles for the Council's operations.
- Removal of fully depreciated furniture and equipment.
- Purchase of wide screen TV for Senior Center.

Additional information on the Council's capital assets can be found in the Note 1 (C) and 8, Exhibit F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Council receives most of its funding from local property taxes. Additional funding is from federal and state agencies. Because of this, the source of income for the Council is consistent. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council, and therefore, those revenues are not fixed. There have been no significant changes to the funding levels or terms of the grants and contracts. The Governor's Office of Elderly Affairs (GOEA) has approved the Council's budget for fiscal year 2004-2005. There are no plans to add any significant programs for next fiscal year.

The Executive Director and Board of Directors considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Actual expenditures from previous fiscal year in relation to expected needs in the current year.
- Consideration of funding to be received from GOEA.
- The Ad Valorem Tax revenue budgeted represents the estimated amount of the October 2004 assessment, which the Council will receive, for the most part, in January 2005.
- Interest revenues have been budgeted as flat.
- Salaries and benefits are based on the number of employees needed to perform necessary services and the related benefits.
- Travel rates in accordance with state travel regulations.
- Services the Council will provide along with estimated service costs.
- Estimate of operation supplies needed to perform necessary services.
- Detail plan of equipment needed to be purchased.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Council's finances for all interested in the Council's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Board of Directors
Susan Devecka
West Baton Rouge Council on Aging, Inc.
P.O. Box 122
Port Allen, Louisiana.70767
Phone (225) 383-0638

Condensed Statements of Net Assets

	June 30,		Dollar
	2004	2003	Change
Cash	\$ 304,105	\$ 313,519	\$ (9,414)
Other current assets	7,067	3,578	3,489
Capital assets	33,698	58,038	(24,340)
Total assets	346,874	375,135	(28,261)
Accounts payable	807	766	41
Accrued compensation	14,263	13,849	414
Total liabilities	15,070	14,615	455
Net Assets:			
Invested in capital assets, net	33,698	58,038	
Restricted	250,616	253,968	
Unrestricted	45,486	48,514	-
Total net assets	\$ 329,800	\$ 360,520	\$ (30,720)

Governmental Activities

Governmental activities decreased the Council net assets by \$ 30,720. Key elements of this decrease are as follows:

Condensed Changes in Net Assets

	June 30,		Dollar Change	Total Percent Change
	2004	2003		
Revenues:				
Program revenues:				
Operating grants and contributions	87,280	87,955	(675)	0.76%
General revenues:				
Property taxes	467,226	458,452	8,774	1.91%
Grants and contributions not restricted	31,295	25,639	5,656	22.06%
Unrestricted investment earnings	1,580	2,415	(835)	34.57%
Special item- equipment removed from service	(21,470)	-	(21,470)	100.00%
Miscellaneous	9,237	7,622	1,615	21.19%
Total revenues	575,148	582,083	(6,935)	1.19%
Expenses:				
Health and welfare	605,868	554,445	51,423	9.27%
Total expenses				
Increase (decrease) in net assets	(30,720)	27,638	(58,358)	
Net assets beginning of year	360,520	332,882	27,638	
Net assets end of year	\$ 329,800	\$ 360,520	\$ (30,720)	

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Council's governmental funds is to provide information on current year inflows, outflows, and balances of spendable cash and other resources. Such information is useful in assessing the Council's cash flow requirements. In particular, unrestricted fund balance at year end may serve as a useful measure of a government's net resources available for spending next fiscal year. As of the end of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$310,365, a decrease of \$ 5,966 in comparison with the prior year. An unreserved fund balance of \$303,871 is available for spending at the Council's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed. This is reflected in Exhibit C.

The General Fund is the main operating fund of the Council. At the end of the current fiscal year, unreserved fund balance of the general fund was \$ 59,749, while total fund balance reached \$ 310,365 (Exhibit C). The fund balance of the Council's General Fund decreased by \$ 2,614 during the current fiscal year. (Exhibit D)

Other major funds, including Title III B – Supportive Services Fund and Title III C-2 – Home Delivered Meals Fund and Title III C-1 Congregate Meals had a no change in fund balances. These funds are reimbursed by federal and state grants. Expenditures that are not covered by the grants are covered by transfers from the General Fund and Millage Fund.

Independent Auditor's Report

West Baton Rouge Council on Aging, Inc.
Port Allen, Louisiana, USA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the West Baton Rouge Council on Aging, Inc. as of and for the year ended June 30, 2004, which collectively comprise the Council's financial statements as listed in the table of contents. These financial statements are the responsibility of the West Baton Rouge Council on Aging's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the West Baton Rouge Council on Aging, Inc., as of June 30, 2004, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying required supplementary information, such as “Management’s Discussion and Analysis” and “Budgetary Comparison Information” are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the West Baton Rouge Council on Aging’s financial statements. The accompanying supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary information, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.


Michael R. Choate & Company CPAs

November 3, 2004

GOVERNMENT WIDE FINANCIAL STATEMENTS

GOVERNMENT WIDE STATEMENT OF NET ASSETS

**WEST BATON ROUGE COUNCIL ON AGING, INC.
PORT ALLEN, LOUISIANA**

June 30, 2004

	<u>Governmental Activities</u>
Assets	
Cash	\$ 304,105
Grants and contracts receivable	7,067
Capital assets, net of accumulated depreciation	<u>33,698</u>
Total Assets	<u>344,870</u>
Liabilities	
Accounts payable	807
Accrued compensated absences	<u>14,263</u>
Total Liabilities	<u>15,070</u>
Net Assets	
Invested in Capital Assets	33,698
Restricted for:	
Utility Assistance	6,494
Millage	244,122
Unrestricted	<u>45,486</u>
Total Net Assets	<u>\$ 329,800</u>

The accompanying notes are an integral part of this statement.

**GOVERNMENT WIDE STATEMENT OF ACTIVITIES
WEST BATON ROUGE COUNCIL ON AGING, INC.
PORT ALLEN, LOUISIANA**

For the year ended June 30, 2004

	Direct Expenses	Indirect Expenses	Operating Grants and Contributions	Total Governmental Activities	Net (Expense) Revenue and Increases (Decreases) in Net Assets
Functions / Programs					
Governmental Activities					
Health, Welfare & Social Services					
Supportive Services:	\$ 54,074	\$ 120,138	\$ 37,818	\$ (136,394)	
Personal Care	-	-	-	-	
Other Services	-	-	-	-	
Homemaker	-	-	-	-	
Information and Assistance	-	-	-	-	
Legal Assistance	-	-	-	-	
Outreach	-	-	-	-	
Transportation	93,639	79,766	-	(173,405)	
Nutrition Services:					
Congregate Meals	17,965	11,632	16,813	(12,784)	
Home Delivered Meals	70,694	45,351	11,789	(104,256)	
Utility Assistance	9,159	-	8,596	(563)	
Disease Prevention and Health Promotion	1,288	381	1,294	(375)	
National Family Caregiver Support	574	315	800	(89)	
Multipurpose Senior Centers	-	-	16,334	16,334	
Administration	-	106,892	6,446	(100,446)	
Total governmental activities	\$ 247,393	\$ 364,475	\$ 99,890	\$ (511,978)	

General Revenues:	
Ad Valorem Taxes	467,226
Grants and contributions not restricted to specific programs	24,873
Unrestricted Investment Income	1,580
Special item - equipment removed from service	(21,470)
Miscellaneous	9,049
Total general revenues	481,258
Increase (Decrease) in net assets	(30,720)
Net assets - beginning of the year	360,520
Net assets - beginning of the year	\$ 329,800

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

EXHIBIT C

Balance Sheet
 Governmental Funds
 West Baton Rouge Council on Aging, Inc.
 June 30, 2004

	General Fund	Millage	Title III B	Title III C-1	Title III C-2	Total Non Major Funds	Total
Assets							
Cash	\$ 59,957	\$ 244,122	\$ (4,686)	\$ (902)	\$ (360)	\$ 5,974	\$ 304,105
Grants and Contracts Receivable	599	-	4,686	902	360	520	7,067
Total Assets	\$ 60,556	\$ 244,122	\$ -	\$ -	\$ -	\$ 6,494	\$ 311,172
Liabilities and Fund Balance							
Liabilities							
Accounts Payable	\$ 807	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 807
Total Liabilities	807	-	-	-	-	-	807
Fund Balances							
Unreserved/Undesignated:							
General Fund	59,749	-	-	-	-	-	59,749
Special Revenue Fund	-	244,122	-	-	-	6,494	250,616
Total Fund Balances	59,749	244,122	-	-	-	6,494	310,365
Total Liabilities and Fund Balances	\$ 60,556	\$ 244,122	\$ -	\$ -	\$ -	\$ 6,494	

Amounts reported for governmental activities in the statement of net assets are different because:

Compensation absences are not paid for out of current financial resources and therefore are not reported funds	(14,263)
Capital assets used in governmental activities are not resources therefore are not reported in the funds	33,698
Net assets of Governmental Activities	<u>\$ 329,800</u>

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 West Baton Rouge Council on Aging, Inc.
 Baton Rouge, LA
 For the Year Ended June 30, 2004

EXHIBIT D

	General Fund	Millage	Title III B	Title III C-1	Title III C-2	Total Non Major Funds	Total Governmental Funds
REVENUES							
Advalorem Tax	\$ -	\$ 467,226	\$ -	\$ -	\$ -		\$ 467,226
Intergovernmental							
Capital Area Agency on Aging District II, Inc.	-	-	35,973	10,810	4,422	2,540	53,745
Governor's Office of Elderly Affairs	21,048	-	-	-	-	20,159	41,207
Public Support							
Contributions-clients	-	-	1,657	6,003	7,367		15,027
Entergy Project Care	-	-	-	-	-	8,596	8,596
Investment Income	1,580	-	-	-	-		1,580
Miscellaneous	9,049	-	188	-	-		9,237
Inkind Contributions	6,000	-	-	-	-		6,000
Total Revenues	37,677	467,226	37,818	16,813	11,789	31,295	602,618
EXPENDITURES							
Health, Welfare, & Social Services							
Current:							
Personnel	-	-	197,652	19,681	82,939	855	301,127
Fringe	-	-	69,111	6,485	19,896	178	95,670
Travel	-	-	16	-	-	-	16
Operating Services	-	-	41,676	2,718	10,432	1,452	56,278
Operating Supplies	-	-	19,964	341	1,322	49	21,676
Other Costs	11,243	1,806	19,198	372	1,456	470	34,545
Debt Service	-	69,256	-	-	-	-	69,256
Utility Assistance	-	-	-	-	-	9,159	9,159
Capital Outlays	2,000	12,857	-	-	-	-	14,857
Inkind	6,000	-	-	-	-	-	6,000
Total Expenditures	19,243	83,919	347,617	29,597	116,045	12,163	608,584
Excess (deficiency) of Revenues over Expenditures	18,434	383,307	(309,799)	(12,784)	(104,256)	19,132	(5,966)
OTHER FINANCING SOURCES (USES)							
Transfers In	2,000	-	309,799	13,705	106,222	464	432,190
Transfers Out	(23,048)	(386,096)	-	(921)	(1,966)	(20,159)	(432,190)
Total other Financing Sources and Uses	(21,048)	(386,096)	309,799	12,784	104,256	(19,695)	-
Net Increase (Decrease) in Fund Balances	(2,614)	(2,789)	-	-	-	(563)	(5,966)
FUND BALANCES							
Beginning of the Year	62,363	246,911	-	-	-	7,057	316,331
End of the Year	\$ 59,749	\$ 244,122	\$ -	\$ -	\$ -	\$ 6,494	\$ 310,365

The accompanying notes are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
West Baton Rouge Council on Aging, Inc.
Port Allen, Louisiana

Year Ended June 30, 2004

Net Increase (Decrease) in fund balances – total governmental funds	\$ (5,966)
---	------------

Governmental funds report capital outlays as expenditures.

However, in the **Statement of Activities** the cost of these assets is allocated over their estimated useful lives and reported as **depreciation expense**. This is the amount by which capital outlays (\$14,857) differs from depreciation (\$17,727) in the current period.

(2,870)

Some expenses reported in the **Statement of Activities** do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Compensated absences	(414)
Special Item- Furniture & Equipment removed from service	<u>(21,470)</u>

Increase (Decrease) of net assets of governmental activities	<u>\$ (30,720)</u>
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NOTES TO FINANCIAL STATEMENTS

West Baton Rouge Council on Aging, Inc.
Port Allen, Louisiana

June 30, 2004

Note 1 - Summary Of Significant Accounting Policies

a. Statement of Presentation:

The accompanying financial statements conform to generally accepted accounting principles for local government units as prescribed by Statement 1, Governmental Accounting and Financial Reporting Principles published by the National Council on Governmental Accounting, and Audits of State and Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants.

The local councils on the aging were created under Act No. 456 of 1964 for the welfare of the aging people in their respective parish.

b. Fund Accounting:

The accounts of the Council are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures.

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds presented in the financial statements in this report are as follows:

Governmental Fund types

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

Note 1 - Summary Of Significant Accounting Policies (continued)

Governmental Fund (continued):

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.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments and major capital projects) that are legally restricted to expenditures for specified purposes. Most of the Council’s special revenue funds are provided by GOEA.

The Title III funds are provided by the United States Department of Health and Human Services – Administration on Aging through the Governor’s Office of Elderly Affairs which in turn “passes through” the funds to the Capital Area Agency on Aging and then to the Council.

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

Major Special Revenue Funds

A fund is considered major if it is the primary operating fund of the Council or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category type.

Title III-B Supportive Services Fund

The Title III-B Supportive Services Fund is used to account for funds which are to provide a variety of social services; such as, information and assistance, access services, in-home services, community services, legal assistance, and outreach for people age 60 and older.

GOEA has established the criteria for defining a qualifying unit of service for each Title III program. Specific supportive social services, along with the number of units provided during the fiscal year, are as follows:

	<u>Units</u>
• Information and Assistance	580
• Homemaker	1209
• Recreation	11983
• Transportation for people age 60 or older	16342
• Material Aid	8936
• Utility Assistance	98
• Medical Alert	96

Title III C-1 Fund

The Title III C-1 Fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. The council served 12,930 meals this year.

Title III C-2 Home Delivered Meals Fund

Title III C-2 Fund is used to account for funds which are used to provide nutritional, home delivered meals to homebound older persons. The council delivered 35,074 meals this year.

Millage Fund

The Millage Fund is used to account for the revenue received from a West Baton Rouge Parish property tax. These funds significantly finance the Council's budget and activities.

Non Major Special Revenue Funds

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.

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 in turn "passes through" the funds to the Council. This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community.

Title III-D Fund

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

Title III-E Fund

The Title III-E Fund is used to account for funds which are used to provide continuing education services to assist individuals to acquire knowledge about services and/or caregiving role and needs.

Supplemental Senior Center Fund

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

Utility Assistance Fund

The Utility Assistance Fund is used to account for the administration of programs that are sponsored by local utility companies. The companies collect contributions from service customers and employees and remit the funds directly to the council or to the Louisiana Associations of Councils on Aging (LACOA), which in turn remits funds relating to West Baton Rouge Parish to the Council. These funds are used to provide financial assistance to the elderly for the payment of their utility bills.

c. Capital Assets:

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased or acquired with an original cost of at least \$1,000 and that have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Assets. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation.

For capital assets recorded in the Government-Wide Financial Statements, depreciation is computed and recorded using the straight-line method for the assets estimated useful life. The estimated useful lives of the various classes of depreciable capital assets are as follows:

Building Improvements	20 years
Equipment	5 - 7 years
Vehicles	5 years
Computers	3 years

Salvage values have not been estimated by management when calculating how much of an asset's cost needs to be depreciated except for vehicles. For that category or capital asset, management has used 10% of the vehicles initial cost as a salvage value estimate.

Depreciation is not computed or recorded on capital assets for purposes of the Fund Financial Statements.

d. Transfers:

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 accounted for as an asset or liability through the various due from and due to accounts.

e. Budget Policy:

Budgets for the programs are prepared by the Council's Executive Director and approved by the grantors and the Council's board of directors.

f. Compensated Absences:

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

g. Management's Use of Estimates:

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

h. Revenue Recognition

Revenues are recorded in the Government-Wide Statements when they are earned under the accrual basis of accounting.

Revenues are recorded in the Fund Financial Statements using the modified accrual basis of accounting. In applying the susceptible to accrual concept using this basis of accounting, intergovernmental grant revenues, program service fees, and interest income usually both measurable and available. However, the timing and amounts of the receipts of public support and miscellaneous revenues are often difficult to measure; therefore, they are recorded as revenue in the period received.

Note 2 - Board of Director's Compensation

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

Note 3 - In Kind Financial Assistance

The Council receives financial assistance from the West Baton Rouge Parish government in the form of vehicle insurance. Facilities and land are owned by the Parish. No rent is charged. Amounts related to insurance assistance are recorded in these financial statements as In Kind contributions and expenditures.

Note 4 - Economic Dependency

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

Note 5 - New Reporting Standard

In June 1999, The Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements –and Management's Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the Statement include the following:

For the first time the financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Council's overall financial position and results of operations.
- Government-Wide Financial Statements prepared using full accrual accounting for all of the Council's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The Council has elected to implement the general provisions the GASB Statement 34 in the current year.

Note 6 – Transfers

	<u>Transfers Out</u>	<u>Transfers In</u>
<u>SPECIAL REVENUE FUNDS</u>		
Title III C-1	\$ 921	
Senior Center	16,334	
Millage Fund	386,056	
Supplemental Senior Center	3,825	
Title III C-2	1,966	
Title III B		
Millage Fund		\$ 268,592
Senior Center		16,334
Supplemental Senior Center		3,825
General Fund		21,048
Title III C-1		
Millage Fund		13,705
Title III C-2		
Millage Fund		106,222
Title III D		
Millage Fund		375
Title III E		
Millage Fund		89
<u>GENERAL FUND</u>	<u>23,048</u>	<u>2,000</u>
Total	<u>\$ 432,190</u>	<u>\$ 432,190</u>

Note 7 – Ad Valorem Tax/Bond Issue

On May 15, 1996, the Parish of West Baton Rouge issued a \$500,000 Certificate of Indebtedness to finance the construction of a new facility to be used by the West Baton Rouge Council on Aging. The bonds will be retired using the ad valorem tax funds dedicated to the Council on Aging. During the year ended June 30, 2004, the Council received \$476,226 in ad valorem tax. The Council incurred debt service expenditures of \$69,256 for the year ended June 30, 2004. In 2003, the ad valorem tax was renewed for an additional 10 years.

Note 8 - General Fixed Assets

The changes in the general fixed asset account group are as follows:

	<u>Balance</u> <u>6-30-03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6-30-04</u>
Furniture and equipment	\$29,672	\$ 2,000	\$ (21,470)	\$ 10,202
Vehicles	<u>193,411</u>	<u>12,857</u>	<u>-</u>	<u>206,268</u>
	<u>\$223,083</u>	<u>\$ 14,857</u>	<u>\$ (21,470)</u>	<u>\$216,470</u>

Note 9 – Deposits With Financial Institutions

At June 30, 2003, The Council had bank balances totaling \$304,104. Bank balances totaling \$100,000 are insured by federal deposit insurance while deposits of \$204,105 are collateralized by securities held by the depository bank in the Council's name. This is considered as "Category 1" credit risk in accordance with GASB Statement 3.

GASB Statement 3 categories deposits into three categories of credit risk:

1. Insured by FDIC or collateralized with securities held by th Council or by its agent in the Council's name. (Category 1)
2. Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Council's name. (Category 2)
3. Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Council's name; or collateralized with no written or approved collateral agreement. (Category 3)

Note 10 – Grants & Accounts Receivable

Accounts receivable at June 30, 2004 included the following funds:

Special Revenue

Title III B	\$ 4,686
Title III C-1	902
Title III D	250
Title III E	270
Title C-2	360

General Fund 599

Total \$ 7,067

Note 11 – Income Tax Status

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

SUPPLEMENTARY FINANCIAL INFORMATION

Required by GASB 34

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND**

**WEST BATON ROUGE COUNCIL ON AGING, INC.
PORT ALLEN, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2004**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Capital Area Agency on Aging District II, Inc.				
State of Louisiana	18,120	21,048	21,048	-
Other:				
Miscellaneous	5,000	6,500	9,049	2,549
Contributions	-	-	-	-
Investment Income	3,500	2,200	1,580	(620)
Contributions in Kind	6,000	6,000	6,000	-
Total Revenues	<u>32,620</u>	<u>35,748</u>	<u>37,677</u>	<u>1,929</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	6,000	6,000	6,000	-
Personnel	-	-	-	-
Operating services	250	250	-	250
Operating supplies	-	-	-	-
Meals	-	-	-	-
Travel	-	-	-	-
Capital outlay	-	-	2,000	(2,000)
Utility assistance	-	-	-	-
Other	8,600	8,600	11,243	(2,643)
Total Expenditures	<u>14,850</u>	<u>14,850</u>	<u>19,243</u>	<u>(4,393)</u>
Excess of Revenues over (under) Expenditures	17,770	20,898	18,434	(2,464)
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	350	150	2,000	1,850
Operating transfers out	(18,120)	(21,048)	(23,048)	(2,000)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ (2,614)	\$ (2,614)

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND - TITLE III-B**

**WEST BATON ROUGE COUNCIL ON AGING, INC.
PORT ALLEN, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2004**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Capital Area Agency on Aging District II, Inc. State of Louisiana	35,973	35,973	35,973	-
Other:				
Miscellaneous	-	-	188	188
Contributions	1,500	1,500	1,657	157
Project Care	-	-	-	-
Contributions in Kind	-	-	-	-
Total Revenues	37,473	37,473	37,818	345
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	-	-	-	-
Personnel	189,271	178,319	197,652	(19,333)
Fringe	71,270	68,789	69,111	(322)
Operating services	38,069	37,660	41,676	(4,016)
Operating supplies	18,568	18,470	19,964	(1,494)
Travel	220	-	16	(16)
Capital outlay	-	-	-	-
Utility assistance	-	-	-	-
Other	24,269	24,143	19,198	4,945
Total Expenditures	341,667	327,381	347,617	(20,236)
Excess of Revenues over (under) Expenditures	(304,194)	(289,908)	(309,799)	(19,891)
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	304,194	289,908	309,799	19,891
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND - TITLE III C-1**

**WEST BATON ROUGE COUNCIL ON AGING, INC.
PORT ALLEN, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2004**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Capital Area Agency on Aging District II, Inc. State of Louisiana	10,810	10,810	10,810	-
Other:				
Miscellaneous	-	-	-	-
Contributions	5,000	5,000	6,003	1,003
Project Care	-	-	-	-
Contributions in Kind	-	-	-	-
Total Revenues	<u>15,810</u>	<u>15,810</u>	<u>16,813</u>	<u>1,003</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	-	-	-	-
Personnel	18,228	11,170	19,681	(8,511)
Fringe	6,491	6,802	6,485	317
Operating services	2,200	2,442	2,718	(276)
Operating supplies	286	307	341	(34)
Meals	-	-	-	-
Travel	18	-	-	-
Capital outlay	-	-	-	-
Utility assistance	-	-	-	-
Other	271	285	372	(87)
Total Expenditures	<u>27,494</u>	<u>21,006</u>	<u>29,597</u>	<u>(8,591)</u>
Excess of Revenues over (under) Expenditures	(11,684)	(5,196)	(12,784)	(7,588)
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	11,684	5,196	13,705	8,509
Operating transfers out	-	-	(921)	(921)
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND - TITLE III C-2**

**WEST BATON ROUGE COUNCIL ON AGING, INC.
PORT ALLEN, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2004**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Capital Area Agency on Aging District II, Inc. State of Louisiana	4,422	4,422	4,422	-
Other:	-	-	-	-
Miscellaneous	-	-	-	-
Contributions	5,000	5,000	7,367	2,367
Project Care	-	-	-	-
Contributions in Kind	-	-	-	-
<u>Total Revenues</u>	<u>9,422</u>	<u>9,422</u>	<u>11,789</u>	<u>2,367</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	-	-	-	-
Personnel	80,069	81,636	82,939	(1,303)
Fringe	20,181	20,824	19,896	928
Operating services	8,877	9,567	10,432	(865)
Operating supplies	1,146	1,200	1,322	(122)
Meals	-	-	-	-
Travel	62	-	-	-
Capital outlay	-	-	-	-
Utility assistance	-	-	-	-
Other	1,084	1,114	1,456	(342)
<u>Total Expenditures</u>	<u>111,419</u>	<u>114,341</u>	<u>116,045</u>	<u>(1,704)</u>
Excess of Revenues over (under) Expenditures	(101,997)	(104,919)	(104,256)	663
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	101,997	104,919	106,222	1,303
Operating transfers out	-	-	(1,966)	(1,966)
<u>Excess (deficiency) of revenues and other sources over expenditures and other uses</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND - MILLAGE**

**WEST BATON ROUGE COUNCIL ON AGING, INC.
PORT ALLEN, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2004**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Ad valorem taxes	\$ 423,121	\$ 450,000	\$ 467,226	\$ 17,226
Intergovernmental:				
Capital Area Agency on Aging District II, Inc. State of Louisiana	-	-	-	-
Other:	-	-	-	-
Miscellaneous	-	-	-	-
Contributions	-	-	-	-
Project Care	-	-	-	-
Contributions in Kind	-	-	-	-
 Total Revenues	<u>423,121</u>	<u>450,000</u>	<u>467,226</u>	<u>17,226</u>
 <u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	-	-	-	-
Personnel	-	-	-	-
Fringe	-	-	-	-
Operating services	-	-	-	-
Operating supplies	-	-	-	-
Meals	-	-	-	-
Travel	-	-	-	-
Capital outlay	-	16,000	12,857	3,143
Utility assistance	-	-	-	-
Debt Service	66,868	69,256	69,256	-
Other	-	-	1,806	(1,806)
 Total Expenditures	<u>66,868</u>	<u>85,256</u>	<u>83,919</u>	<u>1,337</u>
 Excess of Revenues over (under) Expenditures	356,253	364,744	383,307	18,563
 <u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	-	-	-	-
Operating transfers out	(370,511)	(380,164)	(386,096)	(5,932)
 Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (14,258)</u>	<u>\$ (15,420)</u>	<u>\$ (2,789)</u>	<u>\$ 12,631</u>

SUPPLEMENTARY FINANCIAL INFORMATION

Required by: Governor's Office of Elderly Affairs

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Non Major Funds
 West Baton Rouge Council on Aging, Inc.
 Baton Rouge, LA
 For the Year Ended June 30, 2004

	Audit	Title III D	Senior Center	Title III E	Utility Assistance	Supplemental Senior Center	Total Non Major Funds
REVENUES							
Advalorem Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental							
Capital Area Agency on Aging District II, Inc.	446	1,294	-	800	-	-	2,540
Governor's Office of Elderly Affairs	-	-	16,334	-	-	3,825	20,159
Public Support							
Contributions-clients	-	-	-	-	-	-	-
Entergy Project Care	-	-	-	-	8,596	-	8,596
Investment Income	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Inkind Contributions	-	-	-	-	-	-	-
Total Revenues	446	1,294	16,334	800	8,596	3,825	31,295
EXPENDITURES							
Health, Welfare, & Social Services							
Current:							
Personnel	-	229	-	626	-	-	855
Fringe	-	50	-	128	-	-	178
Travel	-	-	-	-	-	-	-
Operating Services	-	1,363	-	89	-	-	1,452
Operating Supplies	-	15	-	34	-	-	49
Other Costs	446	12	-	12	-	-	470
Debt Service	-	-	-	-	-	-	-
Utility Assistance	-	-	-	-	9,159	-	9,159
Capital Outlays	-	-	-	-	-	-	-
Inkind	-	-	-	-	-	-	-
Total Expenditures	446	1,669	-	889	9,159	-	12,163
Excess (deficiency) of Revenues over Expenditures	-	(375)	16,334	(89)	(563)	3,825	19,132
OTHER FINANCING SOURCES (USES)							
Transfers In	-	375	-	89	-	-	464
Transfers Out	-	-	(16,334)	-	-	(3,825)	(20,159)
Proceeds from the Sale of Vehicle	-	-	-	-	-	-	-
Total other Financing Sources and Uses	-	375	(16,334)	89	-	(3,825)	(19,695)
Net Increase (Decrease) in Fund Balances	-	-	-	-	(563)	-	(563)
FUND BALANCES							
Beginning of the Year	-	-	-	-	7,057	-	7,057
End of the Year	\$ -	\$ -	\$ -	\$ -	\$ 6,494	\$ -	\$ 6,494

**COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS AND CHANGES IN
GENERAL FIXED ASSETS**

West Baton Rouge Council on Aging, Inc.
Port Allen, Louisiana

For the year ended June 30, 2004

	<u>Balance</u> <u>June 30, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2004</u>
General Fixed Assets:				
Vehicles	\$ 193,411	\$ 12,857	\$ -	\$ 206,268
Office Furniture and Equipment	<u>29,672</u>	<u>2,000</u>	<u>(21,470)</u>	<u>10,202</u>
Total Fixed Assets	<u>\$ 223,083</u>	<u>\$ 14,857</u>	<u>\$ (21,470)</u>	<u>\$ 216,470</u>
Investment in General Fixed Assets:				
Property acquired with funds from-				
Section 18	1,780	-	-	1,780
Millage	216,468	14,857	21,470	209,855
Title III C-2	1,453	-	-	1,453
Title III B	2,900	-	-	2,900
Title III C-1	<u>482</u>	<u>-</u>	<u>-</u>	<u>482</u>
Total Investments in General Fixed Assets	<u>\$ 223,083</u>	<u>\$ 14,857</u>	<u>\$ 21,470</u>	<u>\$ 216,470</u>

SUPPLEMENTARY FINANCIAL INFORMATION
REQUIRED BY: OMB CIRCULAR A-133

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

West Baton Rouge Council on Aging, Inc.
Port Allen, Louisiana

For the year ended June 30, 2004

<u>Grants Passed Through State of Louisiana and Capital Area Agency on Aging</u>	<u>Federal CFDA Number</u>	<u>Program Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
Capital Area Agency on Aging- District II, Inc.				
Title III Part C-1	93.045	9,188	9,188	9,188
Title III Part C-2	93.045	1,998	1,998	1,998
Title III Part B	93.044	21,904	21,904	21,904
Title III Part D	93.043	1,044	1,044	1,044
Title III Part E	93.052	760	760	760
		<u>\$ 34,894</u>	<u>\$ 34,894</u>	<u>\$ 34,894</u>

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

West Baton Rouge Council on Aging, Inc.
Port Allen, Louisiana, USA

We have audited the financial statements of the West Baton Rouge Council on Aging, Inc., as of and for the year ended June 30, 2004, and have issued our report thereon, dated November 3, 2004. We conducted our audit in accordance with generally accepted auditing standards, and **Government Auditing Standards**, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements of the West Baton Rouge Council on Aging, Inc. are free of material misstatement, we performed tests of the Council's compliance with certain provisions of laws, regulations and contracts, 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 Governmental Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered West Baton Rougen Council on Aging, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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 operations that we consider to be material weaknesses.

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

Michael R. Cheate & Co.
CERTIFIED PUBLIC ACCOUNTANTS

November 3, 2004

FINDINGS AND RECOMMENDATIONS

Internal Accounting and Administrative Controls and Compliance

**West Baton Rouge Council on Aging, Inc.
Port Allen, Louisiana**

June 30, 2004

There were no material deficiencies found in compliance or in the Internal Accounting and Administrative Controls which required corrective action. There were no questioned costs.

CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS

**West Baton Rouge Council on Aging, Inc.
Port Allen, Louisiana**

June 30, 2004

MATERIAL DEFICIENCIES

Last year there were no material deficiencies found in compliance or in Internal accounting and administrative controls which required corrective action.