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VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
June 30, 2004

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

Release Date 2/2/05

VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2004

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VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2004

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Vernon Council on Aging, Inc.
Leesville, Louisiana:

I have audited the accompanying general-purpose financial statements of the Vernon Council on Aging, Inc. as of and for the year ended June 30, 2004, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Vernon Council on Aging, Inc.'s management. My responsibility is to express an opinion on these general-purpose financial statements based on my audit.

I conducted my 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. Those standards require that I 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 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Vernon Council on Aging, Inc., as of June 30, 2004, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 30, 2004, on my consideration of the Vernon Council on Aging, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

As described in Note 1, the Council has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of June 30, 2004.

The Vernon Council on Aging, Inc. has not presented management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

My audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the Vernon Council on Aging, Inc. taken as a whole. The accompanying combining financial statements and schedules listed in the table of contents are 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 my opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Elliott & Assoc. "APAC"
Leesville, Louisiana
December 30, 2004

GOVERNMENT - WIDE FINANCIAL STATEMENTS

VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2004

<u>ASSETS</u>	<u>Governmental Activities</u>
Cash	\$ 51,959
Restricted Cash	17,510
Accounts Receivable	22,639
Due from other funds	954
Capital Assets:	
Depreciable, net	<u>261,505</u>
 <u>TOTAL ASSETS</u>	 <u>\$ 354,567</u>
 <u>LIABILITIES</u>	
Accounts Payable	\$ 26,204
Payroll taxes payable	4,760
Due to other funds	954
Mortgage Payable	124,195
Accumulated leave payable	<u>17,403</u>
 Total Liabilities	 <u>\$ 173,516</u>
 <u>NET ASSETS</u>	
Invested in Capital Assets	
Net of Related Debt	137,310
Unrestricted	<u>43,741</u>
 Total Net Assets	 <u>181,051</u>
 <u>TOTAL LIABILITIES AND NET ASSETS</u>	 <u>\$ 354,567</u>

VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Direct</u> <u>Expenses</u>	<u>Indirect</u> <u>Expenses</u>
Function/Program Activities		
Governmental Activities:		
Health, Welfare and Social Services:		
Supportive Services:		
Homemaker	\$ 6,823	\$ 2,750
Information and Assistance	8,553	3,448
Legal Assistance	5,074	0
Outreach	3,644	1,469
Transportation	84,633	34,114
Other Services	8,302	3,347
Nutrition Services:		
Congregate Meals	53,495	21,563
Home Delivered Meals	121,705	49,058
Disease Prevention and Health Promotion	2,714	510
National Family Care giver Support	11,660	—
Senior Activities	6,080	—
Administration	29,301	75,917
DOTD - Transportation	138,605	55,870
NSIP	—	—
 Total Governmental Activities	 <u>\$ 480,589</u>	 <u>\$ 248,046</u>

Program Income/ Charges for Services	Program Revenues		Net (Expense) Revenue and Changes In Net Assets Governmental Activities
	Operating Grants and Contributions	Capital Grants and Contributions	
\$ 10,000	\$ 6,791	\$ -	\$ 7,218
-	8,514	-	(3,487)
-	3,600	-	(1,474)
-	3,627	-	(1,486)
-	84,243	-	(34,504)
-	8,264	-	(3,385)
5,967	60,405	-	(8,686)
14,449	95,372	-	(60,942)
-	3,169	-	(55)
-	10,761	-	(899)
--	6,080	-	(---
2,812	30,652	-	(71,754)
-	98,174	-	(96,301)
-	21,000	-	21,000
<u>\$ 33,228</u>	<u>\$ 440,652</u>	<u>\$ -</u>	<u>\$ (254,755)</u>

General Revenues:

Grants and Contributions not Restricted To Specific Programs	190,437
Miscellaneous	—
Total General Revenues	<u>190,437</u>
Changes in Net Assets	(64,318)
Net Assets - Beginning	<u>245,369</u>
Net Assets - Ending	<u>\$ 181,051</u>

FUND FINANCIAL STATEMENTS

VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2004

	<u>General Funds</u>	<u>Title III B Supportive Services</u>	<u>Title C-1 Congregate Meals</u>	<u>Title C-2 Home Delivered Meals</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 41,465	\$ -	\$ 1,912	\$ 3,500
Restricted Cash	17,510	-	-	-
Accounts Receivable	21,685	-	-	-
Due From Other Funds	<u>954</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL ASSETS</u>	<u>\$ 81,614</u>	<u>\$ -</u>	<u>\$ 1,912</u>	<u>\$ 3,500</u>
<u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 15,710	\$ -	\$ 1,912	\$ 3,500
Other Accrued Expenses	4,760	-	-	-
Due to Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>\$ 20,470</u>	<u>\$ -</u>	<u>\$ 1,912</u>	<u>\$ 3,500</u>
<u>FUND BALANCE</u>				
Fund Balance				
Unreserved, Reported In:				
General Fund	\$ 61,144	\$ -	\$ -	\$ -
Special Revenue Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>61,144</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 61,144</u>	<u>\$ -</u>	<u>\$ 1,912</u>	<u>\$ 3,500</u>

VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA
RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCES TO NET ASSETS OF
SUPPLEMENTAL FUNDS
JUNE 30,2004

<u>Nonmajor</u>	<u>Total</u>		
<u>Governmental</u>	<u>Governmental</u>	<u>Total Governmental Fund Balances</u>	\$ 61,144
<u>Funds</u>	<u>Funds</u>		
\$ 5,082	\$ 51,959	Amount reported for governmental	
-	17,510	Activities in the statement of net assets	
954	22,639	are different because:	
-	954		
\$ 6,036	\$ 93,062	Capital assets used in governmental	261,505
		Activities are not financial resources and	
		therefore are not reported in the funds.	
\$ 5,082	\$ 26,204	Long-term liabilities are not due and	
-	4,760	Payable in the current period and therefore	
954	954	Are not reported in the funds.	(141,598)
6,036	31,918	Net Assets of Governmental Activities	\$ 181,051
-	61,144		
-	-		
-	61,144		
\$ 6,036	\$ 93,062		

VERNON COUNCIL ON AGING, INC
LEESVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	<u>General Fund</u>	<u>Title III B Supportive Services</u>	<u>Title C-1 Congregate Meals</u>	<u>Title C-2 Home Delivered Meals</u>
<u>REVENUES</u>				
Intergovernmental	\$ 177,498	\$ 101,478	\$ 60,405	\$ 64,275
Public Support	114,269	10,000	5,967	14,449
Miscellaneous	<u>9,881</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Revenues	<u>301,648</u>	<u>111,478</u>	<u>66,372</u>	<u>78,724</u>
<u>EXPENDITURES</u>				
Current:				
Salaries	—	92,427	27,718	72,263
Fringe	—	7,676	2,302	6,001
Travel	—	2,587	308	513
Operating Services	—	42,262	13,498	32,189
Operating Supplies	—	12,130	31,232	59,797
Other Costs	195,984	5,075	—	—
Capital Outlay	—	—	—	—
Principal Payments	6,692	—	—	—
Interest Payments	6,052	—	—	—
Meal Costs	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Expenditures	<u>208,728</u>	<u>162,157</u>	<u>75,058</u>	<u>170,763</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER EXPENDITURES</u>	92,920	(50,679)	(8,686)	(92,039)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers - In	----	50,679	8,686	92,039
Operating Transfers - Out	<u>(112,142)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Other Financing Sources (Uses)	<u>(112,142)</u>	<u>50,679</u>	<u>8,686</u>	<u>92,039</u>
<u>Excess (Deficiency) of Revenues</u>				
<u>And Other Financing Sources Over</u>				
<u>Expenditures and Other Financing Uses</u>	=	=	=	(19,222)
<u>Fund Balance At Beginning Of Year</u>	<u>80,366</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>Fund Balance At End of Year</u>	<u>\$ 61,144</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>	Net Change in Fund Balances - Total Governmental Funds	\$ (19,222)
\$ 96,227	499,883		
-	144,685	<i>Amounts reported for governmental activities</i>	
2,114	11,995	<i>In the statement of activities are different</i>	
98,341	656,563	<i>Because:</i>	
17,530	209,938	Governmental Funds report capital outlays as	
1,456	17,435	expenditures while governmental activities	
235	3,643	report depreciation expense to allocate those	
16,768	104,717	Expenditures over the life of the assets:	
1,168	104,327	Capital asset purchases capitalized	
21,922	222,981	Depreciation expense	(51,788)
-	-		
-	6,692	Repayment of debt principal is an	
-	6,052	Expenditure in the governmental funds, but	
-	-	The repayment reduces long-term liabilities	
59,079	675,785	In the statement of net assets.	<u>6,692</u>
39,262	(19,222)	Change in Net Assets in Governmental	
		Activities	<u>\$ (64,318)</u>
5,349	156,753		
(44,611)	(156,753)		
(39,262)	(-)		
-	(19,222)		
-	80,366		
<u>\$</u>	<u>\$ 61,144</u>		

VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

Note 1 - Nature of the Business and Summary of Significant Accounting Policies

The financial statements of the Vernon Council on Aging, Inc. have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. These statements have also incorporated any applicable requirements set forth by *Audits of State and Local Governmental Units*, the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection VI-annual Financial Reporting, accounting manual for Governor's Office of Elderly Affairs contractors, and the *Louisiana Governmental Audit Guide*. The more significant to the Council's accounting policies are described below.

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 Vernon Council on Aging, Inc. is a non-profit, quasi-public corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the Council with most of its revenues. Other entities that provide the Council with federal, state, or local funds may impose some additional requirements.

The primary function of the Vernon 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. Some of the services provided by the Council include congregate and home delivered meals, nutritional education, information services, discount services, material aid, outreach, operating senior centers, and transportation. A Board of Directors, consisting of 15 voluntary members who serve three-year terms, governs the Council.

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.

VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2004

– Financial Reporting

The Council follows the provisions of the Government Accounting Standards Board Statement, Nos. 34, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments* (Statement 34), 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus* (Statement 34), and 38, *Certain Financial Statement Note Disclosures* (Statement 38). Which establish the financial reporting standards for all states and local government entities.

The accompanying government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting and reflect transactions of behalf of the Council. The Council accounts for its funds as governmental funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Office of Elderly Affairs Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific 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 Council.

VERNON COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Nature of the Business and Summary of Significant Accounting Policies (Continued)

Fund Accounting (Contd.):

The Council reports the following major governmental funds:

General Fund

The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. These discretionary funds are accounted for and reported according to the source (federal, state, or local) from which they are derived. The following types of programs comprise the Council's General Fund:

Local Funds

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

PCOA (ACT 735) Funds

PCOA (Act 735) funds are appropriated for the Governor's Office of Elderly Affairs by the Louisiana Legislature for remittance to the Council on Aging. The Council may use these "Act 735" funds at its discretion provided the program is benefitting people who are at least 60.

Section 5311 - Transportation

Section 5311 funds are provided by the United States Department of Transportation Through the Louisiana Department and Development. Funds received by the Council are based on actual operating costs of providing transportation services to rural residents within Jennings Parish. The transportation portion of in-kind contributions is an allowed cost for purposes of requesting reimbursement under this program. Because money received under this program is for reimbursement of costs previously incurred, the Council can use these funds for discretionary purposes. This is why these Section 5311 funds are recorded in the Council's general revenue funds.

VERNON COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Nature of the Business and Summary of Significant Accounting Policies (Continued)

Title III-B Supportive Services Fund

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

The remaining nonmajor funds are as follows:

Senior Center Fund

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.

Nutritional Services Incentive Program (NSIP)

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

Title III -D Disease Prevention and Health Promotion Services

This program provides fund to develop or strengthen preventative health services and health promotion systems through designated agencies.

VERNON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Nature of the Business and Summary of Significant
Accounting Policies (Continued)

Title III -E National Family Caregiver Support

To assist in providing multifaceted systems of support services for family caregivers and grandparents or older individuals who are relative caregivers.

Title III-C-1 Congregate Meals Fund

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. During the fiscal year July 1, 2003 to June 30, 2004, the Council served about 15,814 congregate meals.

Title III-C-2 Home Delivered Meals Fund

Title III-C-2 funds is used to account for funds which are used to provide nutritional, home delivered meals to homebound older persons. During the fiscal year July 1, 2003 to June 30, 2004, the Council served about 20,843 home delivered meals.

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. The Council operates five senior centers in Cameron Parish, Louisiana.

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 (or compilation) of the Council's financial statements.

VERNON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Nature of the Business and Summary of Significant
Accounting Policies (Continued)

Title III-E National Caregiver Program

The Council participates in the III-E National Caregiver program which was established recently to provide home respite service to home caregivers in the form of 96 hours of breaktime per year.

Title III-D

The Title III-D Fund is used to account for funds used for disease prevention and health promotion activities 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, (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-C-1 Area Agency Administration Fund

Title III-C-1 Area Agency Administration (AAA) Fund is used to account for some of the administration costs associated with operating the Special Programs for the Aging.

Title III-B Supportive Services Fund

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.

VERNON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Nature of the Business and Summary of Significant
Accounting Policies (Continued)

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. Vernon 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.

Funding Policies and Sources of Funds

The Council receives its monies through various methods of funding. NSIP program funds are provided through the Louisiana Governor’s Office of Elderly Affairs to help offset raw food cost in Title III C-1 and C-2 programs. This program is funded under the units of service provided method. The Senior Center program and State Allocation (PCOA) and Supplemental Senior Center funds are received as a monthly allocation of the total budget (grant) in advance of the actual expenditure. The Title III-B. C-1, C-2, D and E programs are funded based on actual operating cost incurred.

VERNON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Nature of the Business and Summary of Significant
Accounting Policies (Continued)

The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1 and C-2 programs. All of the above mentioned funds, including any other miscellaneous income, are recorded as revenue when the cash is received because the Council cannot predict the timing and amount of receipt.

Budget Policy

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

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

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

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

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

All budgetary appropriations lapse at the end of each fiscal year (June 30).

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

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

VERNON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (continued)

Estimates

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

Note 2 - Cash and Certificates of Deposit

At June 30, 2004, the book balance of the Council's bank deposits was \$ 51,959.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 2004, are secured as follows:

Bank Balances	\$ <u>57,375</u>
Federal Deposit Insurance	\$ <u>57,375</u>

VERNON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 3 - Receivables

Accounts receivable at June 30, 2004, consists of the following sources:

DOTD - Transportation	21,685
Title III D	55
Title III E	<u>899</u>
Totals	<u>\$ 22,589</u>

Note 4 - Fixed Assets

Fixed asset activity for the year ended June 30, 2004, is as follows:

	Balance <u>July 1, 2003</u>	Additions	Deletions	Balance <u>June 30, 2004</u>
Land	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,000</u>
Depreciable Assets:				
Buildings	\$ 265,851	\$ -	\$ -	\$ 265,851
Vehicles	356,567	32,827	(87,485)	301,909
Furniture & Fixtures	<u>13,849</u>	<u>23,300</u>	<u>(1,381)</u>	<u>35,768</u>
Totals at Historical Cost	<u>\$ 651,267</u>	<u>\$ 56,127</u>	<u>\$ (88,866)</u>	<u>\$ 618,528</u>
Less Accumulated Depreciation				
For:				
Buildings	(59,816)	(6,646)	-	(66,462)
Vehicles	(224,446)	(40,074)	-	(264,520)
Furniture & Fixtures	<u>(20,973)</u>	<u>(5,068)</u>	<u>-</u>	<u>(26,041)</u>
Total Accumulated Depreciation	<u>(305,235)</u>	<u>(51,788)</u>	<u>-</u>	<u>(357,023)</u>
Fixed Assets, Net	<u>\$ 346,032</u>	<u>\$ 4,339</u>	<u>\$ (88,866)</u>	<u>\$ 261,505</u>

Depreciation was charged to Administration activities of the Council for \$ 51,788.

VERNON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 5 - General Long-Term Obligations

Long-term liabilities that will be financed from governmental funds are accounted for in the general long-term debt group of accounts. The following is a summary of changes relating to the Council's long-term debt account group during the fiscal year ended June 30, 2004:

	Balance	<u>Principal</u>		Balance
	July 1, 2003	<u>Additions</u>	<u>Reductions</u>	June 30, 2004
Mortgage Payable	<u>\$ 130,886</u>	<u>\$ —</u>	<u>\$ (6,691)</u>	<u>\$ 124,195</u>

Long-term debt consists of the following:

Mortgage payable – due in monthly installments of \$ 1,062 including interest at 5.25% - secured by building

\$ 124,195

The annual debt service requirements to amortize the debt outstanding follows; including interest of \$ 41,465:

<u>Fiscal Year Ended</u> <u>June 30.</u>	<u>Amount</u>
2005	\$ 12,743
2006	12,743
2007	12,743
2008	12,743
2009	12,743
2010-2014	63,716
2015-2017	<u>38,229</u>
Total	<u>\$ 165,660</u>

Changes in annual leave payable are as follows:

Balance - July 1, 2003	\$ 14,129
Additions	20,414
Deletions	<u>(17,140)</u>
Balance - June 30, 2004	<u>\$ 17,403</u>

VERNON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 6 - In-Kind Contributions

The Council received various in-kind contributions during the year. These in-kind contributions have not been recorded in the financial statements as revenues, nor has the expenditure related to the use of the in-kind been recorded. The primary in-kind contributions consisted of free rent and utilities for the senior center and meal sites, and wages and fringe benefits for volunteer workers.

Note 7 - 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.

Note 8 - Income Tax Status

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

Note 9 - Litigation and Claims

There was no litigation pending against the Council at June 30, 2004, nor is the Council aware of any unasserted claims.

VERNON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 10 - Transfer In (Out)

These amounts represent transfers from various funds including Act 735 State Fund and the Local Contributions Fund to various other funds to supplement current year programs:
Operating transfers in and out are listed by fund for the fiscal year ended June 30, 2004:

	<u>III-B</u>	<u>AUDIT</u>	<u>C-1</u>	<u>C-2</u>	<u>III-D</u>	<u>III-E</u>	<u>TOTAL OUT</u>
PCOA	\$ -	\$ -	\$ -	\$ 21,048	\$ -	\$ -	\$ 21,048
SECT 5311	-	-	-	-	-	-	-
SENIOR CENTER	13,562	-	-	6,224	-	-	19,786
NSIP	-	-	8,500	12,500	-	-	21,000
SUPPLEMENTAL	-	-	-	3,825	-	-	3,825
LOCAL	<u>37,117</u>	<u>5,349</u>	<u>186</u>	<u>48,442</u>	<u>--</u>	<u>--</u>	<u>91,094</u>
TOTAL IN	<u>\$ 50,679</u>	<u>\$ 5,349</u>	<u>\$ 8,686</u>	<u>\$ 92,039</u>	<u>\$ --</u>	<u>\$ ---</u>	<u>\$156,753</u>

Note 11 - Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, some board members were reimbursed for expenses incurred in conducting Council related activities.

Note 12 - 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 of 1986 and as an organization that is not a private foundation as defined in Section 509(a) of the Code. The Council has filed all necessary tax forms through the current fiscal year ended June 30, 2004. It is also exempt from Louisiana income tax.

VERNON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 13 - Economic Dependency

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

Note 14 - Judgements, Claims and Similar Contingencies

There is no litigation pending against the Council at June 30, 2004. Furthermore, the Council's management believes that any potential lawsuits would be adequately covered by insurance.

Note 15 - Risk Management

The Council is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the year that exceeded the Council's insurance coverage.

Note 16 - Federal Award Programs

The Council received revenues from various federal and state grant programs that are subject to final review and approval as to the allowability of expenditures by the respective grantor agencies. *These programs are audited in accordance with the Single Audit Act Amendment of 1996 and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Institutions.* Any settlements or expenses arising out of a final review are recognized in the period agreed upon by the agency and the Council. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the Council's financial position.

VERNON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 17 - Economic Dependency

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

Note 18 - Risk Management

The Council is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the year that exceeded the Councils's insurance coverage.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULES

VERNON COUNCIL ON AGING, INC
LEESVILLE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Over</u>
				<u>(Under)</u>
<u>Revenues</u>				
Intergovernmental	\$ -	\$ -	\$ -	\$ —
Find Work	80,000	80,000	79,943	(57)
Public Support	-	-	15,739	15,739
Contributions	-	-	33,228	33,228
Rent Income	8,000	8,000	8,300	-
Fund Raising Income	-	-	65,302	65,302
Section 18 Income	76,507	76,507	76,507	-
Interest Income	-	-	1,581	1,581
	<u>164,507</u>	<u>164,507</u>	<u>280,600</u>	<u>\$ (116.093)</u>
 <u>Expenditures</u>				
Operating Services	-	-	-	-
Operating Supplies	-	-	-	-
Other Costs	-	-	195,984	(195,984)
Capital Outlay	-	-	-	-
Principal Payments	6,700	6,700	6,692	8
Interest Payments	6,000	6,000	6,052	(52)
Total Expenditures	<u>12,700</u>	<u>12,700</u>	<u>208,728</u>	<u>(196.028)</u>
 <u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	151,807	151,807	71,872	- (79,935)
 <u>Other Financing Uses</u>				
Transfers Out	(138,286)	(138,286)	(91,094)	(47,192)
 <u>Net Change in Fund Balance</u>				
	13,521	13,521	(19,222)	(32,743)
 <u>Fund Balance at Beginning of Year</u>				
	80,366	80,366	80,366	-
 <u>Fund Balance at End of Year</u>				
	<u>93,887</u>	<u>\$93,887</u>	<u>\$ 61,144</u>	<u>\$(32,743)</u>

VERNON COUNCIL ON AGING, INC
LEESVILLE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
TITLE III B - SUPPORTIVE SERVICES
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ 101,478	\$ 101,478	\$101,478	\$ —
Public Support	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>—</u>
Total Revenues	<u>111,478</u>	<u>111,478</u>	<u>111,478</u>	<u> </u>
<u>Expenditures</u>				
Salaries	97,078	94,542	92,427	(2,115)
Fringe	9,999	8,147	7,676	(471)
Travel	1,692	2,918	2,587	(331)
Operating Services	44,043	45,113	42,262	(2,851)
Operating Supplies	13,492	11,896	12,130	234
Other Costs	<u>5,074</u>	<u>5,074</u>	<u>5,075</u>	<u>1</u>
Total Expenditures	<u>171,378</u>	<u>167,690</u>	<u>162,157</u>	<u>(5,533)</u>
<u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	(59,900)	(56,212)	(50,679)	5,533
<u>Other Financing Sources (Uses)</u>				
Transfers In	<u>59,900</u>	<u>56,212</u>	<u>50,679</u>	<u>(5,533)</u>
<u>Net Change in Fund Balance</u>				
	—	—	—	—
<u>Fund Balance at Beginning of Year</u>				
	—	—	—	—
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
TITLE C1 - CONGREGATE MEALS
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Over</u>
				<u>(Under)</u>
<u>Revenues</u>				
Intergovernmental	\$ 60,405	\$ 60,405	\$ 60,405	\$ —
Public Support	<u>5,964</u>	<u>5,964</u>	<u>5,967</u>	<u>3</u>
Total Revenues	<u>66,369</u>	<u>66,369</u>	<u>66,372</u>	<u>3</u>
<u>Expenditures</u>				
Salaries	30,204	28,359	27,718	(641)
Fringe	3,111	2,444	2,302	(142)
Travel	373	366	308	(58)
Operating Services	14,833	13,698	13,498	(200)
Operating Supplies	28,102	31,697	31,232	(465)
Other Costs	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Expenditures	<u>76,623</u>	<u>76,564</u>	<u>75,058</u>	<u>(1,506)</u>
<u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	(10,254)	(10,195)	(8,686)	1,509
<u>Other Financing Sources (Uses)</u>				
Transfers In	<u>10,254</u>	<u>10,195</u>	<u>8,686</u>	<u>(1,509)</u>
<u>Net Change in Fund Balance</u>	—	—	—	—
<u>Fund Balance at Beginning of Year</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

VERNON COUNCIL ON AGING, INC
LEESVILLE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
TITLE C2 - HOME DELIVERED MEALS
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ 64,275	\$ 64,275	\$ 64,275	\$ —
Public Support	<u>15,000</u>	<u>15,000</u>	<u>14,449</u>	<u>(551)</u>
Total Revenues	<u>79,275</u>	<u>79,275</u>	<u>78,724</u>	<u>(551)</u>
<u>Expenditures</u>				
Salaries	76,898	73,363	72,263	(1,100)
Fringe	7,921	6,322	6,001	(321)
Travel	722	611	513	(98)
Operating Services	35,038	32,864	32,189	(675)
Operating Supplies	54,143	60,628	59,797	(831)
Other Costs	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Expenditures	<u>174,722</u>	<u>173,788</u>	<u>170,763</u>	<u>(3,025)</u>
<u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	(95,447)	(94,513)	(92,039)	2,474
<u>Other Financing Sources (Uses)</u>				
Transfers In	<u>95,447</u>	<u>94,513</u>	<u>92,039</u>	<u>(2,474)</u>
<u>Net Change in Fund Balance</u>				
	—	—	—	—
<u>Fund Balance at Beginning of Year</u>				
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>FUND BALANCE AT END OF YEAR</u>				
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

SUPPLEMENTAL INFORMATION SCHEDULES REQUIRED BY
GOEA

VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA

GENERAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2004

	<u>Programs of the General Fund</u>		<u>General Fund</u>
	<u>Local</u>	<u>PCOA (Act 735)</u>	
<u>ASSETS</u>			
Cash & Cash Equivalents	\$ 41,465	\$ —	\$ 41,465
Restricted Cash	17,510	—	17,510
Accounts Receivable	21,685	—	21,685
Due From Other Funds	<u>954</u>	<u>—</u>	<u>954</u>
<u>TOTAL ASSETS</u>	<u>\$ 81,614</u>	<u>\$ —</u>	<u>\$ 81,614</u>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 15,710	\$ —	\$ 15,710
Other Accrued Expenses	4,760	—	4,760
Due to Other Funds	<u>—</u>	<u>—</u>	<u>—</u>
Total Liabilities	20,470	—	20,470
<u>FUND BALANCE</u>			
Unreserved and Undesignated	<u>61,144</u>	<u>—</u>	<u>61,144</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 81,614</u>	<u>\$ —</u>	<u>\$ 81,614</u>

VERNON COUNCIL ON AGING, INC
LEESVILLE, LOUISIANA

GENERAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2004

	<u>Programs of the General Fund</u>		<u>Total General Fund</u>
	<u>Local</u>	<u>PCOA (Act 735)</u>	
<u>Revenues</u>			
Intergovernmental	\$ —	\$ 21,048	\$ 21,048
Find Work revenue	79,943	—	79,943
Fund Raising revenue	65,302	—	65,302
Contributions	33,228	—	33,228
Section 18 Income	76,507	—	76,507
Miscellaneous	<u>25,620</u>	<u>—</u>	<u>25,620</u>
Total Revenues	<u>280,600</u>	<u>21,048</u>	<u>301,648</u>
 <u>Expenditures</u>			
Operating Services	—	—	—
Operating Supplies	—	—	—
Other Costs	195,984	—	195,984
Capital Outlay	—	—	—
Principal Payments	6,692	—	6,692
Interest Payments	<u>6,052</u>	<u>—</u>	<u>6,052</u>
Total Expenditures	<u>208,728</u>	<u>—</u>	<u>208,728</u>
 <u>Excess of Revenues Over</u>			
<u>Expenditures</u>	<u>71,872</u>	<u>21,048</u>	<u>92,920</u>
 <u>Other Financing Sources (Uses)</u>			
Operating Transfers Out	<u>(91,094)</u>	<u>(21,048)</u>	<u>(112,142)</u>
 <u>Excess of Revenues and Other Financing</u>			
<u>Sources Over Expenditures</u>			
<u>and Other Financing Uses</u>	(19,222)	—	(19,222)
 <u>Fund Balance at Beginning of Year</u>	<u>80,366</u>	<u>—</u>	<u>80,366</u>
 <u>FUND BALANCE AT END OF YEAR</u>	<u>\$61,144</u>	<u>\$ —</u>	<u>\$ 61,144</u>

VERNON COUNCIL ON AGING, INC
LEESVILLE, LOUISIANA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2004

	<u>Senior Center</u>	<u>Title III D Disease Prevention</u>	<u>Title III E Caregiver</u>
<u>ASSETS</u>			
Cash & Cash Equivalent	\$ —	\$ —	\$ 5,082
Receivables	<u>—</u>	<u>55</u>	<u>899</u>
<u>TOTAL ASSETS</u>	<u>\$ —</u>	<u>\$ 55</u>	<u>\$ 5,981</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ —	\$ —	\$ 5,082
Due to Other Funds	<u>—</u>	<u>55</u>	<u>899</u>
Total Liabilities	<u>—</u>	<u>55</u>	<u>5,981</u>
Fund Balances:			
Unreserved	<u>—</u>	<u>—</u>	<u>—</u>
Total Fund Balances	<u>—</u>	<u>—</u>	<u>—</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ —</u>	<u>\$ 55</u>	<u>\$ 5,981</u>

<u>Audit Funds</u>	<u>Supplemental Senior Center</u>	<u>NSIP</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ ---	\$ ---	\$ ---	\$ 5,082
---	---	---	954
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 6,036</u>
\$ ---	\$ ---	\$ ---	\$ 5,082
---	---	---	954
---	---	---	6,036
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 6,036</u>

VERNON COUNCIL ON AGING, INC
LEESVILLE, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Senior Center</u>	<u>Title III D Disease Prevention</u>	<u>Title III E Caregiver</u>
<u>REVENUES</u>			
Intergovernmental:			
Governor's Office of Elderly Affairs	\$ 25,866	\$ 3,224	\$ 11,660
Public Support:			
Client Contributions	—	—	—
Total Public Support	—	—	—
Total Revenues	<u>25,866</u>	<u>3,224</u>	<u>11,660</u>
<u>EXPENDITURES</u>			
Current:			
Salaries	4,707	977	—
Fringe	391	81	—
Travel	13	4	—
Operating Services	928	271	—
Operating Supplies	41	443	—
Other Costs	—	1,448	11,660
Total Current Expenditures	<u>6,080</u>	<u>3,224</u>	<u>11,660</u>
Capital Outlay	—	—	—
Total Expenditures	<u>6,080</u>	<u>3,224</u>	<u>11,660</u>
<u>Excess (Deficiency) of Revenues Over Expenditure</u>	19,786	—	—
<u>Other Financing Sources (Uses)</u>			
Operating Transfers - In	—	—	—
Operating Transfers - Out	<u>(19,786)</u>	—	—
Total Other Financing Sources (Uses)	<u>(19,786)</u>	—	—
<u>Excess of Rev. and Other Fin. Sources Over Exp. and Other Fin. Uses</u>	—	—	—
<u>FUND BALANCES</u>			
<u>AT BEGINNING OF YEAR</u>	—	—	—
<u>FUND BALANCES</u>			
<u>AT END OF YEAR</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

<u>Emergency Food Shelter</u>	<u>Audit Funds</u>	<u>Supplemental Senior Center</u>	<u>AAA</u>	<u>NSIP</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ —	\$ 1,351	\$ 3,825	\$ 29,301	\$ 21,000	\$ 96,227
<u>2,114</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,114</u>
<u>2,114</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,114</u>
<u>2,114</u>	<u>1,351</u>	<u>3,825</u>	<u>29,301</u>	<u>21,000</u>	<u>98,341</u>
—	—	—	11,846	—	17,530
—	—	—	984	—	1,456
—	—	—	218	—	235
—	—	—	15,569	—	16,768
—	—	—	684	—	1,168
<u>2,114</u>	<u>6,700</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>21,922</u>
<u>2,114</u>	<u>6,700</u>	<u>—</u>	<u>29,301</u>	<u>—</u>	<u>59,079</u>
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>2,114</u>	<u>6,700</u>	<u>—</u>	<u>29,301</u>	<u>—</u>	<u>59,079</u>
—	(5,349)	3,825	—	21,000	39,262
—	5,349	—	—	—	5,349
<u>—</u>	<u>—</u>	<u>(3,825)</u>	<u>—</u>	<u>(21,000)</u>	<u>(44,611)</u>
<u>—</u>	<u>5,349</u>	<u>(3,825)</u>	<u>—</u>	<u>(21,000)</u>	<u>(39,262)</u>
—	—	—	—	—	—
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

GENERAL FIXED ASSET ACCOUNT GROUP

VERNON COUNCIL ON AGING, INC
LEESVILLE, LOUISIANA

SCHEDULE OF GENERAL FIXED ASSETS

JUNE 30, 2004 AND 2003

<u>GENERAL FIXED ASSETS</u>	Balance June 30, <u>2003</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2004</u>
Land	\$ 15,000	\$ —	\$ —	\$ 15,000
Buildings	265,851	—	—	265,851
Vehicles	356,567	32,827	87,485	301,909
Furniture & Fixtures	<u>13,849</u>	<u>23,300</u>	<u>1,381</u>	<u>35,768</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 651,267</u>	<u>\$ 56,127</u>	<u>\$ 88,866</u>	<u>\$ 618,528</u>
 <u>INVESTMENT IN GENERAL FIXED ASSET</u>				
Property Acquired from				
General Fund	\$ 350,656	\$ 23,300	\$ 1,381	\$ 372,575
Title III -C-1	5,750	—	—	5,750
Title III -C-2	5,750	—	—	5,750
Donated	6,500	—	—	6,500
Find Works	1,150	—	—	1,150
DOTD	<u>281,461</u>	<u>32,827</u>	<u>87,485</u>	<u>226,803</u>
<u>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</u>	<u>\$ 651,267</u>	<u>\$ 56,127</u>	<u>\$ 88,866</u>	<u>\$ 618,528</u>

OTHER SUPPLEMENTAL INFORMATION -
GRANT ACTIVITY

VERNON COUNCIL ON AGING
LEESVILLE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2004

	<u>CFDA Number</u>	<u>Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditure</u>
U.S. Department of Health & Human Services passed through the Louisiana Governor's Office of Elderly Affairs:				
Special Programs for the Aging:				
Title III, Part -B - SS	93.044	66,830	66,830	66,830
Title III, Part -C - AAA	93.045	21,976	21,976	21,976
Title III, Part -C - 1	93.045	60,405	60,405	60,405
Title III, Part -C - 2	93.045	42,624	42,624	42,624
Title III, Part -D	93.043	47,083	31,069	31,069
Title III, Part -E	93.052	26,895	8,169	8,169
U.S. Department of Transportation passed through State DOTD FTA Grant #LA - 18X016 State Project #741-27-0105 - Section 5311- Rural Transportation				
	20.509	76507	76,507	76,507
U.S. Department of Agriculture Passed through the Governor's Office of Elderly Affairs: Nutrition Services Incentive Program				
	93.053	<u>22,535</u>	<u>21,000</u>	<u>21,000</u>
TOTAL		<u>\$ 364,855</u>	<u>\$328,580</u>	<u>\$ 328,580</u>

VERNON COUNCIL ON AGING, INC
LEESVILLE, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2004

1 General

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Council. The Council did not pass through any of its federal awards to a subrecipient during the year.

2 Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting as contemplated under accounting principles generally accepted in the United States of America and which is the same basis of accounting used for presenting the general purpose financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts present in, or used in the preparation of, the basic financial statements.

ELLIOTT & ASSOCIATES, INC.

A Professional Accounting Corporation

P. O. Box 1287

Leesville, Louisiana 71496-1287

(337) 239-2535
(337) 238-5135
Fax 239-2295

W. Micheal Elliott, CPA

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

To the Board of Directors
Vernon Council on Aging, Inc.
Leesville, Louisiana

We have audited the general purpose financial statements of the Vernon Council on Aging, Inc., as of and for the year ended June 30, 2004 and have issued our report thereon dated December 28, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Vernon Council on Aging, Inc.'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 test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Vernon 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 misstatement 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 operation that we consider to be material weakness.

To The Board of Directors
Vernon Council on Aging, Inc.
Page Two

This report is intended solely for the information of management, the Governor's Office of Elderly Affairs and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:516, this report is distributed by the Legislative Auditor as a public document.

Elliott + Assoc. "APAC"
Leesville, Louisiana
December 28, 2004

VERNON COUNCIL ON AGING, INC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2004

To the Board of Directors
Vernon Council on the Aging, Inc.
Leesville, Louisiana

We have audited the financial statements of the Vernon Council on Aging, Inc. As of and for the year ended June 30, 2004, and have issued our report thereon dated November 30, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2004, resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness ___ Yes X No Reportable Conditions ___ Yes ___ No

Compliance

Compliance Material to Financial Statements ___ Yes ___ No

B. Federal Awards

Internal Control

Material Weakness ___ Yes ___ No Reportable Conditions ___ Yes ___ No

Type of Opinion on Compliance Unqualified ___ Qualified ___
For Major Programs (No Major Programs) Disclaimer ___ Adverse ___

Are their findings required to be reported in accordance with Circular A-133,
Section .510 (a)? NO

C. Identification of Major Programs: N/A

CFDA Number(s) Name of Federal Program (or cluster)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? N/A

VERNON COUNCIL ON AGING, INC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2004

(Continued)

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Question Costs - N/A

VERNON COUNCIL ON AGING, INC
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2004

Section I - Internal Control and Compliance Material to the Financial Statements

This section is not applicable for this entity.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

No management letter was issued.