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CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.

ANNUAL FINANCIAL REPORT

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

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.

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CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

The following discussion and analysis of Claiborne Voluntary Council on Aging's financial performance provides an overview of the Council's financial activities for the year ended June 30, 2004. Please read it in conjunction with the financial statements, which begin on page 10.

HOW TO USE THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 11 and 12) provide information about the activities of the Council as a whole and present a longer-term view of the Council's finances. Fund financial statements begin on page 13. For governmental activities, these statements tell how services were *financed in the short-term as well as what remains for future spending*. Fund financial statements also report the Council's operations in more detail than the government-wide statements by providing information about the Council's most significant funds.

Our auditor has provided assurance in his independent auditors' report, located immediately after this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. The auditor is providing varying degrees of assurance about Supplementary Financial Information Required by GASB Statement 34 and Supplementary Financial Information Required by GOEA that follow later in this reporting package. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each part of the financial section of the report.

Reporting the Council as a Whole Using Government-Wide Statements

Our analysis of the Council as a whole begins on page 3. An important question to ask about the Council's finances is, "Is the Council as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities (referred to collectively as the Government-Wide Financial Statements) report information about the Council as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

The Government-Wide statements can be found on pages 11 and 12 and report the Council's net assets and changes in them. Some of the net assets are restricted which means they can only be used for a specific purpose. The Statement of Net Assets is designed to present the financial position of the Council as of year-end. Over time, increases or decreases in the Council's net assets are one indicator of whether its financial position is improving or deteriorating. However, to assess the overall financial position of the Council, you will need to consider other nonfinancial factors, such as the condition of the Council's capital assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

The Statement of Activities provides information that shows how the Council's net assets changed as a result of this year's activities. All of the Council's significant activities are reported in the Statement of Activities. These activities include an Administration function and a Health, Welfare, and Social Services function. The Health, Welfare, and Social Services function is comprised of various programs that include various supportive social services, nutritional services, utility assistance, and disease prevention and health promotion. All activities of the Council are considered to be governmental activities. A governmental activity is one where the Council uses money it receives from government grants and contracts, along with donations from the general public, to pay for the services it provides to the general public, or a segment of the general public, such as the elderly. In other words, the people benefiting from the services are not required to pay for what they receive. If the Council charged fees to cover all or most of the cost of providing a service, that activity would be classified as a business-type activity. The Council does not have any business-type activities.

Reporting the Council's Most Significant Funds Using Fund Financial Statements

Our analysis of the Council's major funds begins on page 5. The Fund Financial Statements can be found on pages 14 to 16 and provide detailed information about the most significant funds - not the Council as a whole. In the Fund Financial Statements you will see a General Fund and a variety of Special Revenue Funds. The General Fund is used to account for all financial resources except those that are required to be accounted for in another fund. The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. By using separate funds to track revenues and expenditures, we can control and manage funds for particular purposes or we can show that the fund is meeting legal responsibilities for using certain grants and other money.

The General Fund and Special Revenue Funds are considered governmental funds. Governmental funds focus on how money flows into and out of funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified* accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Council's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Council's programs. We have presented the difference between the net assets of governmental activities and the fund balances of the governmental funds in a reconciliation at the bottom of the Balance Sheet for Governmental Funds. In addition, the difference between the change in net assets for the governmental funds and the change in net assets for the governmental activities has been presented in a reconciliation on a separate page that follows the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds.

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 on pages 17 to 36. You should read the notes before making assumptions or drawing conclusions about the Council's financial condition.

Supplementary Financial Information Required by GASB Statement 34

The Governmental Accounting Standards Board (GASB) Statement 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted annual budget. The schedules compare the original and final appropriated budgets to actual budget results for the Council's fiscal year. We have also opted to present positive and negative variances between the final budget and actual amounts.

Major funds are those funds whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a major fund could be a fund that does not meet these criteria but which we believe is important to present for the Council's financial statement users.

Management's Discussion and Analysis is also required supplementary information (RSI) by GASB Statement 34. However, it is presented as the first item in this reporting package and not with the other RSI required by GASB Statement 34.

Other Supplementary Financial Information Required by GOEA

The Council has also presented other required supplemental information in this report package.

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present as schedules the information on pages 45 to 47. This information will be used by GOEA to verify the accuracy of information the Council submitted to it during the year and to help GOEA monitor certain compliance requirements set forth in the grants that it has with the Council.

AN ANALYSIS OF THE COUNCIL AS A WHOLE USING GOVERNMENT-WIDE FINANCIAL STATEMENTS

Since this is the first year of implementing the new reporting model, limited comparative information is presented for further government-wide financial analysis. However, in future years, this section will provide a more detailed comparative analysis of current and prior year assets, liabilities, and changes in net assets.

The following table reflects condensed information on the Council's net assets:

| | <u>2004</u> | <u>2003</u> |
|---|------------------|------------------|
| Invested in capital assets, net of related debt | 35,231 | 25,830 |
| Restricted | 15,474 | 13,466 |
| Unrestricted | 6,173 | 5,441 |
| Total Net Assets | <u>\$ 56,878</u> | <u>\$ 44,737</u> |

As of June 30, 2004, the Council "as a whole" had assets greater than its liabilities by \$56,878. Overall, the Council's total net assets increased from \$44,737 to \$56,878. This equates to an increase of 27.1%.

The Council's unrestricted net assets actually increased by \$732 or 13.5% over the year. About 11% of the Council's net assets are unrestricted as of June 30, 2004. It is important that the Council have unrestricted net assets so that we will have resources available to adapt to changes in the economy, emergencies, unexpected needs, and reductions in or termination of grant revenues by government agencies.

The Council's restricted net assets increased by \$2,008 or 14.9% primarily because of unused NSIP funds remaining at the end of the year which are restricted for C1 and C2 nutrition programs. Net assets are reported as restricted when the constraints placed upon the asset's use are either (a) externally imposed by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

The net assets that have been invested in capital assets are presented net of any related outstanding debt incurred to acquire them. For the year ended June 30, 2003 as presented, there is debt for a mini-van in the amount of \$5,502 that has been subtracted from the capital asset amount. When a van is purchased the Council strives to make sure this will not impact the level of service to our clients and participants.

Also during the year, a ten-passenger van valued at \$4,200 was donated to the Claiborne Council on Aging.

AN ANALYSIS OF GOVERNMENTAL ACTIVITIES

Most of the Council's activities are funded by federal, state, and local grants. These grants amount to approximately 92% of the revenues of the Council in 2004 and 93% in 2003. Some of these grants are restricted which means that the money can only be used in certain programs. The amount of funds available from most of the grants remains rather constant from year to year.

The Council also receives donations from its clients and the general public. These revenues help to lessen the financial burden on the Council and allow it to maintain and expand services. Public support revenues represented 8% and 7% of the total revenues of 2004 and 2003, respectively.

For 2004, total administration expenses were \$94,967, or 35.6% of total expenses.

Finally, there are two programs that have revenues greater than expenses for the year. First, revenues under the Congregate and Home Delivered Meals Program are provided in part with funds from a NSIP grant. NSIP funds can only be used to pay for part of the cost of the meals provided to the elderly recipient. There are also other grants that can only be used to pay for costs in this program. Depending on the number of meals served, the types of costs charged to this program, and the amount of grant funds available to use in this program, it is possible that some money earned under the NSIP grant may not be needed this year to help pay for all of the program's costs. Any unused NSIP grant funds are recorded as a restricted net asset of the Nutrition Services program and will be available for use next year if necessary. The second program is Utility Assistance. No indirect costs can be charged to this program because under the terms of the contract, the contributions given by the donors must only be used to pay for utility bills for certain needy people who meet the guidelines to receive assistance. In any given year, the amount of contributions received in this program may exceed the demand from qualified recipients.

AN ANALYSIS OF THE COUNCIL'S FUNDS USING GOVERNMENTAL FUND FINANCIAL STATEMENTS

Fund Balances

The Council showed a combined governmental fund balance of \$21,647 (as shown on the Fund Financial Statement's balance sheet at page 14) at the end of this year, which is an increase of \$2,740 versus last year. The increase is due primarily to the Council earning revenues in the NSIP Fund but not having to use them to pay for food costs in the Nutrition Programs. The reason for this has already been mentioned above.

Revenues

The combined fund revenues increased \$9,065 this year versus last year, or 3.4%. The primary reason for this increase was an increase in grant funds from the GOEA.

Expenditures

Total expenditures increased by \$12,798 this year, or 4.9%. Some of the notable reasons why this occurred are as follows:

- *Meal expenditures increased by \$2,911 (5.4%) primarily due to the increase in the cost per meal that we had to pay to our food vendor. The price per meal that we pay was raised .10 per meal to \$2.36*
- *Operating supplies increased by \$11,540 (86.3%) due to the increased purchase of cleaning supplies for housekeeping services, material aides for distribution, office supplies and site supplies for C-1 meals.*

AN ANALYSIS OF THE GENERAL FUND BUDGET

Over the course of this past fiscal year the budget was amended twice. The amendments were approved at Board of Directors meetings on October 21, 2003 and April 20, 2004. The amendments effectively approve any expenditure that had already been incurred that exceeded its original budgeted amount. The primary reasons for amending the budget are to account for *unanticipated changes in both revenues and expenditures and to prevent compliance violations* under the Council’s grants from GOEA.

You can find schedules of the original and amended budgets for the General Fund in the Supplementary Financial Information Required by GASB Statement 34 section of this report on pages 38 to 43. When you review the budget versus actual schedule, you will note that the favorable and unfavorable variances are not very large. This is a result of the budget amendment process, which allows us the opportunity to use hindsight to adjust the forecast that it made at the beginning of the year. With a little more than two months left in the fiscal year at the time the budget is amended, the risk of a significant budget overrun is reduced because of our ability to more accurately predict what will occur over a shorter period of time versus a longer period of time.

AN ANALYSIS OF CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of the year, the Council had \$32,991 in fixed assets net of accumulated depreciation. This amounted to a net increase of \$3,899 over last year.

Capital Assets, Net of Depreciation at Year End

| | Governmental Activities | |
|---------------------------------|-------------------------|-----------|
| | 2004 | 2003 |
| Real Property | \$ 3,500 | \$ 3,500 |
| Leasehold Improvements | 15,117 | 8,737 |
| Furniture & Equipment | 4,097 | 5,017 |
| Computer & Peripheral Equipment | 526 | 1,237 |
| Vehicles | 9,751 | 10,601 |
| | \$ 32,991 | \$ 29,092 |

The major additions this year to the Council’s fixed assets was for renovations to the Senior Center building and the donation of a ten passenger van by the Claiborne Parish Police Jury. More detailed information can be found about the Council’s capital assets in Notes 1 and 9 to the financial statements.

The Council’s long term debt related to its capital assets was eliminated this year.

There is no liability for compensated absences. All vacation leave is used before the end of the year. No vacation time is brought forward to the next year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Council receives most of its funding from federal and state agencies. Because of this, the source of income for the Council is rather steady. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council, and therefore, revenues may vary from year to year. In setting its budget for fiscal year 2005, it was important that we deliver at least the same level of service to our clients and the public as we did in 2004. All of the Council's grants and contracts from the usual federal and state agencies have been approved for FY 2005. There have been no significant changes to the funding levels or terms of the grants and contracts. Accordingly, we have set our initial budget to provide the same programs and levels of service next year. GOEA has also approved the Council's budget for next year. There are no plans to add any significant programs for next year.

CONTACTING THE COUNCIL'S MANAGEMENT

Our financial report is designed to provide government agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask for more information, you should contact Josephine Miller, the Council's Executive Director, at the Council's main office located at 608 East 4th Street, Homer, LA, by phone at 318-927-6922, or by email at josreed@bellsouth.net.

JAMIESON, WISE & MARTIN
A PROFESSIONAL ACCOUNTING CORPORATION

601 MAIN STREET P.O. BOX 897
MINDEN, LOUISIANA 71058-0897
(318) 377-3171
FAX (318) 377-3177

MICHAEL W. WISE, C.P.A.
CARLOS E. MARTIN, C.P.A.
DAVID W. TINSLEY, C.P.A.

KRISTINE H. COLE, C.P.A.
JENNIFER C. SMITH, C.P.A.

WM. PEARCE JAMIESON, C.P.A. (1991)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Claiborne Voluntary Council on Aging, Inc.
Homer, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Claiborne Voluntary Council on Aging, Inc., as of and for the year ended June 30, 2004, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Claiborne Voluntary Council on Aging, Inc.'s, management. Our responsibility is to express an opinion 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 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 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 Claiborne Voluntary Council on Aging, Inc., as of June 30, 2004, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed 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 management's discussion and analysis and budgetary comparison information on pages 1 through 7 and 38 through 43, 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 supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Claiborne Voluntary Council on Aging, Inc.'s basic financial statements. The combining and individual nonmajor fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Claiborne Voluntary Council on Aging, Inc. The accompanying schedule of priority services is also presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2004, on our consideration of the Claiborne Voluntary Council on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Jamieson, Wise & Martin

Minden, Louisiana
November 24, 2004

GOVERNMENT WIDE FINANCIAL STATEMENTS

GOVERNMENT WIDE STATEMENT OF NET ASSETS
 Claiborne Voluntary Council on Aging, Inc.
 June 30, 2004

| | Governmental Activities |
|---|----------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 39,532 |
| Accounts Receivable | 262 |
| Prepaid Items | 3,499 |
| Capital assets, net of accumulated depreciation | 32,991 |
| TOTAL ASSETS | \$ 76,284 |
| LIABILITIES | |
| Accounts payable | \$ 19,599 |
| Due to funding agency | 814 |
| Deferred revenues | 1,233 |
| TOTAL LIABILITIES | \$ 21,646 |
| NET ASSETS | |
| Invested in capital assets, net of related debt | \$ 32,991 |
| Restricted for: | |
| Utility assistance | 3,815 |
| Nutrition services | 11,659 |
| Unrestricted | 6,173 |
| TOTAL NET ASSETS | \$ 54,638 |

The accompanying notes are an integral part of this statement.

GOVERNMENT WIDE STATEMENT OF ACTIVITIES

Claiborne Voluntary Council on Aging
For the Year Ended June 30, 2004

| | Indirect Expenses | | Program Revenues | | | Net (Expenses) Revenues and Change in Net Assets |
|--|-------------------|------------|----------------------|------------------------------------|--------------------------------|--|
| | Expenses | Allocation | Charges for Services | Operating Grants and Contributions | Capital Grants & Contributions | |
| Governmental Activities | | | | | | |
| Health, Welfare & Social Services: | | | | | | |
| Supportive Services: | | | | | | |
| Homemaker | \$ 9,617 | \$ 7,491 | \$ - | \$ 17,234 | \$ - | \$ 126 |
| Information and Assistance | 7,183 | 5,594 | - | 12,347 | - | (430) |
| Legal Assistance | 2,945 | - | - | 2,594 | - | (351) |
| Outreach | 3,554 | 2,769 | - | 6,368 | - | 45 |
| Transportation | 10,828 | 4,501 | - | 15,723 | - | 394 |
| Public Education | 338 | 264 | - | 571 | - | (31) |
| Nutrition Services: | | | | | | |
| Congregate Meals | 21,450 | 8,118 | - | 33,769 | - | 4,141 |
| Home Delivered Meals | 73,627 | 32,528 | - | 85,480 | - | (20,675) |
| Nutrition Education | 741 | 290 | - | 971 | - | (60) |
| Utility Assistance | 4,342 | - | - | 4,616 | - | 274 |
| Disease Prevention and Health Promotion: | | | | | | |
| Medication Management | 729 | 412 | - | 913 | - | (228) |
| Wellness | 1,960 | 1,100 | - | 2,435 | - | (625) |
| National Family Caregiver Support: | | | | | | |
| Respite | 11,065 | 8,290 | - | 18,842 | - | (513) |
| Material Aide | 4,660 | - | - | 4,320 | - | (340) |
| Other Services | 428 | 321 | - | 757 | - | 8 |
| Senior Activities | 17,871 | - | - | - | - | (17,871) |
| Interest on long term debt | 193 | - | - | - | - | (193) |
| Administration | 94,967 | (71,678) | - | 21,105 | - | (2,184) |
| Total Governmental Activities | \$ 266,498 | \$ - | \$ - | \$ 227,985 | \$ - | \$ (38,513) |

General Revenues:

| | |
|--|------------------|
| Grants and contributions not restricted to specific programs | 50,479 |
| Investment earnings | 35 |
| Other general revenues | 140 |
| Transfers | |
| Total general revenues and transfers | <u>50,654</u> |
| Change in Net Assets | <u>12,141</u> |
| Net assets-beginning | <u>42,497</u> |
| Net assets-ending | <u>\$ 54,638</u> |

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

Balance Sheet
Governmental Funds
Claiborne Voluntary Council on Aging, Inc.

June 30, 2004

| | General Fund | Title III C-1 AAA | Title III B | Title III C-1 | Title III C-2 | NSIP | Non-Major Funds | Total Governmental Funds |
|--|-----------------|-------------------|-----------------|-----------------|-----------------|------------------|-----------------|--------------------------|
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ 6,033 | \$ 1,537 | \$ 4,061 | \$ 2,878 | \$ 7,297 | \$ 11,659 | \$ 6,067 | \$ 39,532 |
| Accounts Receivable | 200 | - | - | 62 | - | - | - | 262 |
| Prepaid expense | - | 705 | 763 | 269 | 1,480 | - | 282 | 3,499 |
| TOTAL ASSETS | \$ 6,233 | \$ 2,242 | \$ 4,824 | \$ 3,209 | \$ 8,777 | \$ 11,659 | \$ 6,349 | \$ 43,293 |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | 60 | 1,876 | 4,742 | 2,719 | 8,199 | - | 2,003 | 19,599 |
| Due to funding agency | - | 366 | - | - | - | - | 448 | 814 |
| Deferred revenues | - | - | 82 | 490 | 578 | - | 83 | 1,233 |
| Other liabilities | - | - | - | - | - | - | - | - |
| Total Liabilities | 60 | 2,242 | 4,824 | 3,209 | 8,777 | - | 2,534 | 21,646 |
| Fund balances: | | | | | | | | |
| Unreserved, reported in: | | | | | | | | |
| Prepaid expenditures | - | - | - | - | - | - | 282 | 282 |
| General Fund | 6,173 | - | - | - | - | - | - | 6,173 |
| Special revenue funds | - | - | - | - | - | 11,659 | 3,533 | 15,192 |
| Total fund balances | 6,173 | - | - | - | - | 11,659 | 3,815 | 21,647 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 6,233 | \$ 2,242 | \$ 4,824 | \$ 3,209 | \$ 8,777 | \$ 11,659 | \$ 6,349 | |

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

-Capital assets used in Governmental activities are not financial resources and therefore are not reported in the funds

| | |
|--|------------------|
| | 32,991 |
| Net Assets of Governmental Activities | \$ 54,638 |

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Claiborne Voluntary Council on Aging, Inc.

For the Year Ended June 30, 2004

| | General Fund | Title III C-1 AAA | Title III B | Title III C-1 | Title III C-2 | NSIP | Non Major Funds | Total Governmental Funds |
|---|-----------------|-------------------|---------------|----------------|----------------|-----------------|-----------------|--------------------------|
| REVENUES | | | | | | | | |
| Intergovernmental | \$ 22,348 | \$ 20,162 | \$ 54,606 | \$ 29,465 | \$ 65,773 | \$ 13,858 | \$ 50,570 | \$ 256,782 |
| Public support | 1,180 | - | 230 | 4,303 | 6,761 | - | 4,757 | 17,231 |
| Interest | 35 | - | - | - | - | - | - | 35 |
| Miscellaneous | 390 | - | - | - | - | - | - | 390 |
| Total Revenues | 23,953 | 20,162 | 54,836 | 33,768 | 72,534 | 13,858 | 55,327 | 274,438 |
| EXPENDITURES | | | | | | | | |
| Health, Welfare & Social Services | | | | | | | | |
| Current: | | | | | | | | |
| Salaries | - | 10,957 | 27,736 | 10,296 | 32,911 | - | 24,206 | 106,106 |
| Fringe | - | 963 | 2,480 | 909 | 2,893 | - | 2,247 | 9,492 |
| Travel | - | 180 | 1,150 | 71 | 262 | - | 1,679 | 3,342 |
| Operating services | - | 5,280 | 8,982 | 3,648 | 17,113 | - | 16,897 | 51,920 |
| Operating supplies | - | 2,261 | 6,178 | 1,736 | 7,507 | - | 7,224 | 24,906 |
| Caterer - meals | - | - | - | 12,784 | 44,352 | - | - | 57,136 |
| Other costs | 1,359 | - | - | - | - | - | - | 1,359 |
| Legal services | - | - | 2,920 | - | - | - | - | 2,920 |
| Nutrition consultant | - | 521 | 342 | 823 | 884 | - | 177 | 2,747 |
| Debt service - principal | - | - | 5,503 | - | - | - | - | 5,503 |
| Debt service - interest | - | - | 192 | - | - | - | - | 192 |
| Capital Outlay | 6,075 | - | - | - | - | - | - | 6,075 |
| Total Expenditures | 7,434 | 20,162 | 55,483 | 30,267 | 105,922 | - | 52,430 | 271,698 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 16,519 | - | (647) | 3,501 | (33,388) | 13,858 | 2,897 | 2,740 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in | 1 | - | 647 | 802 | 33,388 | - | 1,653 | 36,491 |
| Transfers out | (15,788) | - | - | (4,303) | - | (12,123) | (4,277) | (36,491) |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Total Other Financing Sources and Uses | (15,787) | - | 647 | (3,501) | 33,388 | (12,123) | (2,624) | - |
| Net Increase (Decrease) in Fund Balances | 732 | - | - | - | - | 1,735 | 273 | 2,740 |
| Fund balances -- beginning of the year | 5,441 | - | - | - | - | 9,924 | 3,542 | 18,907 |
| Fund balances -- ending of the year | \$ 6,173 | \$ - | \$ - | \$ - | \$ - | \$ 11,659 | \$ 3,815 | \$ 21,647 |

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
Claiborne Voluntary Council on Aging, Inc.

Year Ended June 30, 2004

Net increase (decrease) in fund balances - total governmental funds \$ 2,740

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 (\$11,347) exceed depreciation (\$7,448) in the current period.

3,899

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets

5,502

Increase (decrease) of net assets of governmental activities

\$ 12,141

The accompanying notes are an intergral part of this statement.

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies

a. Purpose of the Council on Aging:

The purpose of the Council is to collect facts and statistics and make special studies of conditions pertaining to the employment, financial status, recreation, social adjustment, mental and physical health or other conditions affecting the welfare of the aging people in Claiborne Parish; to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States; to interpret its findings to the citizens of the parish; to provide for a mutual exchange of ideas and information on the parish and state level; to conduct public meetings to make recommendations for needed improvements and additional resources; to promote the welfare of aging people when requested to do so; to coordinate and monitor services of other local agencies serving the aging people of the parish; and to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA) other departments of state and local government serving the elderly; and to make recommendations relevant to the planning and delivery of services to the elderly of the parish.

Specific services provided by the Council to the elderly residents of Claiborne Parish include providing congregate and home delivered meals, nutritional education, information and assistance, outreach, material aid, utility assistance, homemakers, recreation, legal assistance, disease prevention, health promotion, and transportation.

b. Reporting Entity:

In 1964, the State of Louisiana passed Act 456 authorizing the charter of a voluntary council on aging for the welfare of the aging people in each parish of Louisiana. However, before the council on aging can begin operations in a specific parish, its application for a charter must receive approval from the Governor's Office of Elderly Affairs pursuant to LA R.S. 46:1602. The functions of each council on aging in Louisiana must comply with the objectives of state laws and each council is governed by the policies and regulations established by GOEA.

The XYZ Council on Aging is a legally separate, non-profit, quasi-public corporation. It received its charter and began operations on September 6, 1973.

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

Note 1 - Summary of Significant Accounting Policies (continued)

A board of directors, consisting of 11 voluntary members, who serve staggered three-year terms, governs the Council. The board of directors is comprised of, but not limited to, representatives of the Parish's elderly population, general public, private businesses, and elected public officials.

Board members are elected annually by the members of the Council with a simple majority of those present and voting. The nominating committee presents a list of community citizens who are eligible to serve. Additional nominations are accepted if any are presented.

Membership in the Council is open at all times, without restriction, to all residents of Claiborne Parish who have reached the age of majority and who express an interest in the Council and wish to contribute to or share in its programs. Membership fees are not charged.

Based on the criteria set forth in GASB Statement 14, the Claiborne Voluntary Council on Aging is not a component unit of another primary government nor does it have any component units that are related to it. In addition, based on the criteria set forth in GASB Codification Section 2100, the Council has presented its financial statements as a primary government, because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement 14, the term fiscally independent means that the Council may, without approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. As previously mentioned, GOEA establishes the policies and regulations that all councils must follow. Included in its policies is a provision that the Council's budget be approved by GOEA. However, this approval process is part of GOEA's general oversight responsibility for the Council and is more ministerial or compliance oriented than substantive.

Accordingly, the Council is viewed as being fiscally independent for purposes of applying the reporting entity criteria of GASB Statement 14.

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

Note 1 - Summary of Significant Accounting Policies (continued)

c. Presentation of Statements:

The Council's statements are prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (*Statements and Interpretations*). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

The Council has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds; however, the Council has chosen not to do so because it does not have any business-type activities or enterprise funds. The more significant accounting policies established in GAAP and used by the Council are discussed below.

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.
 - Governmental-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 of the GASB Statement 34 in the current year.

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

Note 1 - Summary of Significant Accounting Policies (continued)

d. Basic Financial Statements - Government-Wide Statements

The Council's basic financial statements include both Government-Wide (reporting the Council as a whole) and fund financial statements (reporting the Council's major funds). Both the Government-Wide and Fund Financial Statements categorize primary activities as either governmental or business type. The Council's functions and programs have been classified as governmental activities. The Council does not have any business-type activities, fiduciary funds, or any component units that are fiduciary in nature. Accordingly, the Government-Wide financial statements do not include any of these activities or funds.

In the Government-Wide Statement of Net Assets, the governmental type activities column (a) is presented on a consolidated basis by column, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Invested in capital assets, net of related debt consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. Restricted net assets consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Unrestricted net assets include all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The Council's policy is to use restricted resources first to finance its activities except for nutrition services. When providing nutrition services, revenues earned by the Council under its NSIP contract with GOEA can only be used to pay for the raw food component of each meal that is bought and served to a person eligible to receive a meal under one of the nutrition programs. The Council's management has discretion as to how and when to use the NSIP revenues when paying for nutrition program costs. Quite often unrestricted resources are available for use that must be consumed or they will have to be returned to GOEA. In such cases it is better for management to elect to apply and consume the unrestricted resources before using the restricted resources. As a result, the Council will depart from its usual policy of using restricted resources first.

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

Note 1 - Summary of Significant Accounting Policies (continued)

The Government-Wide Statement of Activities reports both the gross and net cost of each of the Council's functions and significant programs. Many functions and programs are supported by general government revenues like intergovernmental revenues, and unrestricted investment income, particularly if the function or program has a net cost. The Statement of Activities begins by presenting gross direct and indirect expenses that include depreciation, and then reduces the expenses by related program revenues, such as operating and capital grants and contributions, to derive the net cost of each function or program. Program revenues must be directly associated with the function or program to be used to directly offset its cost. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants. The Council did not receive any capital-specific grants this year.

The Council allocates its indirect costs among various functions and programs in accordance with Circular A-87. The Statement of Activities shows this allocation in a separate column labeled "indirect cost allocation." In addition, GOEA provides grant funds to help the Council pay for a portion of its indirect costs. As a result, only the indirect costs in excess of the GOEA funds are allocated to the Council's other functions and programs.

The Government-Wide Statements focus upon the Council's ability to sustain operations and the change in its net assets resulting from the current year's activities.

e. Basic Financial Statements - Fund Financial Statements:

The financial transactions of the Council are reported in individual funds in the Fund Financial Statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are reported by generic classification within the financial statements.

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

Note 1 - Summary of Significant Accounting Policies (continued)

The Council uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income. An additional emphasis is placed on major funds within the governmental fund types. 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 or type.

Governmental fund equity is called the *fund balance*. Fund balance is further classified as reserved and unreserved, with unreserved being further split into designated and undesignated. Reserved means that the fund balance is not available for expenditure because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets that makes them only available to meet future obligations. Designated fund balances result when management tentatively sets aside or earmarks certain resources to expend in a designated manner. In contrast to reserved fund balances, designated amounts can be changed at the discretion of management.

The following is a description of the governmental funds of the Council:

- **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** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. A large percentage of the Council's special revenue funds are Title III funds. These funds are provided by the United States Department of Health and Human Services - Administration on Aging to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

The Council has established several special revenue funds. The following is a brief description of each special revenue fund's purpose:

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

Note 1 - Summary of Significant Accounting Policies (continued)

Major Special Revenue Funds

The Title III B Fund is used to account for funds, which are used to provide various units of supportive social services to the elderly. 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 | 312 |
| • Outreach | 161 |
| • Homemaker | 783 |
| • Transportation | 2,192 |
| • Legal | 54 |
| • Public Education | 26 |

The Title III C-1 Fund is used to account for funds that are used to provide nutritional, congregate meals to the elderly at meal sites located in and surrounding areas. During the year the Council served 5,311 meals to people eligible to participate in this program.

The Title III C-2 Fund is used to account for funds that are used to provide nutritional meals to homebound older persons. Using Title III C-2 funds the Council served 18,773 meals during the year to people eligible to participate in this program.

The Title III C Area Agency Administration Fund is used to account for a portion of the indirect costs of administrating the Council's programs. Each fiscal year GOEA provides the Council with funds to help pay for the costs of administering the Council's special programs for the elderly. The amount of funding is not enough to pay for all the indirect costs. As a result, the Council will allocate its indirect costs to this fund first. Once the GOEA funds are completely used, any indirect costs, in excess of the funds provided by GOEA, are distributed to other funds and programs using a formula based on the percentage each program's direct costs bear to direct costs for all programs.

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

Note 1 - Summary of Significant Accounting Policies (continued)

The N.S.I.P. Fund is used to account for the administration of Nutrition Services Incentive Program funds provided by the United State Department of Agriculture through the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. The GOEA distributes NSIP funds to each parish council on aging in Louisiana based on how many meals each council on aging served in the previous year in relation to the total meals served statewide by all councils. The primary purpose of the NSIP reimbursement is to provide money to the Council so that United States food and commodities may be purchased to supplement nutrition programs.

Non-Major Special Revenue Funds

The Title III D Fund is used to account for funds used for disease prevention and health promotion activities. During the year 1,327 units of wellness service and 348 units of medication management service were provided to eligible participants in this program.

The Title III E Fund is used to account for funds used in providing a multifaceted system of support for family caregivers in Claiborne Parish, Louisiana. During the year 21 units of caregiver information and assistance, 1,277 units of respite service, and 90 units of material aide were provided to eligible participants in this program.

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to GOEA, which in turn "passes through" the funds to the Council. The purpose of this program is to provide a community service center at which elderly people can receive supportive social services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The senior center for Claiborne Parish is located in Homer, Louisiana. Senior Center funds can be used at management's discretion to support any of the Council's programs that benefit the elderly.

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

Note 1 - Summary of Significant Accounting Policies - (continued)

The Utility Assistance Fund is used to account for the administration of utility assistance programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging to provide assistance to the elderly for the payment of utility bills. LP&L Helping Hands and Atmos Energy Company donations are provided through the Louisiana Association of Councils on Aging, Inc. (LACOA).

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. The cost allocated to this fund is equal to the GOEA supplement. Excess audit costs have been distributed to other funds and programs using the Council's indirect cost allocation formula.

The Supplemental Senior Center Fund was established to account for funds that were appropriated by the Louisiana Legislature for the various councils on aging throughout Louisiana to supplement each council's primary grant for senior center operations and activities. The Claiborne Council on Aging was one of the parish councils to receive a supplemental grant of \$3,825. The money received by this fund during the year was transferred to the Title III B and Title C-2 Funds. GOEA provided these funds to the Council.

f. Measurement Focus and Basis of Accounting:

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual Basis – Government-Wide Financial Statements (GWFS):

The Statement of Net Assets and the Statement of Activities display information about the Council as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

Note 1 - Summary of Significant Accounting Policies (continued)

2. Modified Accrual Basis – Fund Financial Statements (FFS):

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Council considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

g. 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 through the various due from and due to accounts. Transfers between funds are netted against one another as part of the reconciliation of the change in fund balances in the fund financial statements to the change in net assets in the Government-Wide Financial Statements.

h. Budgets and Budgetary Accounting:

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

- a) The Director prepares a proposed budget for each program and submits it to the Board of Directors prior to the beginning of each year.
- b) Upon adoption of the various program budgets by the Board of Directors, the budgets are forwarded to the State of Louisiana, Office of Elderly Affairs for approval.

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

Note 1 - Summary of Significant Accounting Policies (continued)

- c) If changes to the various program budgets are recommended by the Office of Elderly Affairs, the budgets are revised accordingly and the Board of Directors adopts a final budget.
- d) All budgetary appropriations lapse at the end of each fiscal year. Any grant revenue generated in excess of expenditures incurred during a fiscal year is returned to the Office of Elderly Affairs in accordance with the provisions of various contracts entered into with that office.
- e) Budgets for the General and Special Revenue funds are adopted on a basis consistent with generally accepted accounting principles.
- f) The budgets presented in the accompanying financial statements have been amended under the above method.

i. Fixed 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 asset's estimated useful life. The estimated useful lives of the various classes of depreciable capital assets are as follows:

| | |
|----------------------------|-------------|
| Buildings and Improvements | 20-40 years |
| Equipment | 5-12 years |
| Vehicle | 5-7 years |
| Computers | 5 years |

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

Note 1 - Summary of Significant Accounting Policies (continued)

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

j. Annual and Sick Leave

The Council's annual and sick leave policy does not provide for the vesting of annual and sick leave.

k. Prepaid Expenditures

The Council has elected not to expense amounts paid for future services until those services are consumed to comply with the cost reimbursement terms of its grant agreements. Prepaid expenditures in the amount of \$3,499 consist of insurance premiums paid in June 2004.

l. Encumbrance accounting

The Council does not use encumbrance accounting.

m. Related Party Transactions

There were no significant related party transactions during the fiscal year.

n. 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.

o. Deferred Revenues

The Council reports deferred revenues on its Statement of Net Assets and on the balance sheet of the Fund Financial Statements. Deferred revenues arise when the Council receives resources before it has a legal claim to them. In subsequent periods, when the Council has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

Note 1 - Summary of Significant Accounting Policies (continued)

p. Allocation of Indirect Expenses:

The Council reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are recorded as direct expenses of the Administration function. GOEA provides funds to partially subsidize the Council's Administration function. The unsubsidized net cost of the Administration function is allocated using a formula that is based primarily on the relationship the direct cost a program bears to the direct cost of all programs. There are some programs that cannot absorb any indirect cost allocation according to their grant or contract limitations.

Note 2 - Funding Policies and Sources of Funds

The Council receives its monies through various methods of funding. Most of the funds are received on a grant basis. Under this method, funds are received as needed or on a monthly or quarterly allocation of the total budget (grant) in advance of the actual expenditure. The following programs are handled in this manner: Title III B, Title III C-1 and C-2, Title III D, Title III E, Senior Center, State Allocation Funds (Act 735), and Audit Funds. The Nutritional Services Incentive Program (formerly, USDA Cash-in-Lieu of Commodities) is funded under the units of service method.

The Council encourages and receives contributions from clients to help offset program costs. The Town of Homer provides funds to the Council. Utility assistance funds are also provided by both the Louisiana Association of Councils on Aging under the Helping Hands program and Atmos Energy under the Energy/LA Atmos program.

Note 3 - Revenue Recognition

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

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

Note 3 - Revenue Recognition - (continued)

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 are 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 4 - General Fund Budget

The Council is not required to and did not prepare a budget for the General Fund. The Budgetary Comparison Schedule - General Fund has therefore been omitted.

Note 5 - Accounts Receivable

Accounts receivable at June 30, 2004 were \$262.

Note 6 - In-Kind Contributions

The Council received in-kind contributions during the year, primarily in the form of facilities and labor. These contributions and the offsetting operating expenses have not been reported in the financial statements. However, the donation of a van, valued at \$4,200, from the Claiborne Parish Police Jury is included in "Capital Assets" in the Government Wide Statement of Net Assets and in "General Revenues - Grants and contributions not restricted to specific programs" in the Government Wide Statement of Activities. Other in-kind contributions not reported amounted to \$5,400 for the year ended June 30, 2004.

Note 7 - 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.

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2004

Note 8 - Lease Commitments

The Claiborne Voluntary Council on Aging, Inc. has a ten (10) year lease agreement with the Claiborne Parish Police Jury, for the building housing the Claiborne Senior Center and Central Kitchen, which expires June 9, 2011. The annual rental payment required by the lease is \$1.00. No payment was made for the year ended June 30, 2004.

The Claiborne Voluntary Council on Aging, Inc. has a four-year lease with IOS Capital Corporation for the use of a copy machine. The lease expires in March 2007. The monthly rental payment is \$265.

Total rental and lease payments for the year ended June 30, 2004 were \$3,180.

The future minimum payments under these operating leases consist of the following:

| <u>Year ended</u> <u>June 30,</u> | <u>Amount</u> |
|--------------------------------------|-----------------|
| 2005 | \$ 3,182 |
| 2006 | 3,181 |
| 2007 | 2,386 |
| 2008 | 1 |
| 2009 | 1 |
| Thereafter | <u>2</u> |
| Total | \$ <u>8,753</u> |

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

Note 9 - Changes in General Fixed Assets

A summary of changes in general fixed assets is presented below:

| | <u>Balance</u> <u>July 1, 2003</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>June 30, 2004</u> |
|---|---------------------------------------|------------------|-------------------|--|
| Capital assets, not being depreciated: | | | | |
| Real property | \$ <u>3,500</u> | <u>-</u> | <u>-</u> | <u>3,500</u> |
| Capital assets being depreciated: | | | | |
| Leasehold improvements | 8,953 | 7,147 | - | 16,100 |
| Furniture and equipment | 12,947 | - | - | 12,947 |
| Computer and peripheral equipment | 8,246 | - | - | 8,246 |
| Automobiles | <u>57,393</u> | <u>4,200</u> | <u>-</u> | <u>61,593</u> |
| Total capital assets being depreciated | \$ <u>87,539</u> | <u>11,347</u> | <u>-</u> | <u>98,886</u> |
| Less accumulated depreciation for: | | | | |
| Leasehold improvements | 216 | 767 | - | 983 |
| Furniture and equipment | 7,930 | 920 | - | 8,850 |
| Computer and peripheral equipment | 7,009 | 711 | - | 7,720 |
| Automobiles | <u>46,792</u> | <u>5,050</u> | <u>-</u> | <u>51,842</u> |
| Total accumulated depreciated | \$ <u>61,947</u> | <u>7,448</u> | <u>-</u> | <u>69,395</u> |
| Total capital assets being depreciated, net | \$ <u>25,592</u> | <u>3,899</u> | <u>-</u> | <u>29,491</u> |
| Total net capital assets | \$ <u>29,092</u> | <u>3,899</u> | <u>-</u> | <u>32,991</u> |

Depreciation was charged to governmental activities as follows:

| | |
|--|-----------------|
| Supportive services: | |
| Transportation | \$ 5,098 |
| All other | 198 |
| Nutrition Services: | |
| Congregate meals | 151 |
| Home delivered meals | 412 |
| Disease Prevention and Health Promotion | 15 |
| National Family Caregiver Support | 31 |
| Senior Activities | 1,267 |
| Administration | <u>276</u> |
| Total depreciation expense for governmental activities | \$ <u>7,448</u> |

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2004

Note 10 - Cash and Cash Equivalents

Cash and cash equivalents include demand deposits and interest-bearing demand deposits. Under state law, the Council may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2004, the Council's total cash and cash equivalents (book balance) was \$39,532. 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 bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. 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. At June 30, 2004, the Council had \$43,881 in deposits (collected bank balances). These deposits are fully secured from risk by federal deposit insurance.

Note 11 - Board of Directors

Members of the Board of Directors of the Claiborne Voluntary Council on Aging, Inc. serve in an advisory capacity only and receive no per diem or other compensation for their services.

The present board is composed of the following members:

| | | | |
|----------------------|-----------------------|-------------------|----------|
| Lilla M. Jackson | Chairperson | Jefferson Jenkins | Director |
| Addie Wafer | Vice-Chairperson | Eloise Adams | Director |
| Ozeal Perkins | Secretary - Treasurer | Audry Cooper | Director |
| Preston Rogers | Director | Emma Walker | Director |
| Virginia Hollenshead | Director | Rose Newell | Director |
| Odessa Roberts | Director | | |

Note 12 - Due to Funding Agency

This account represents funds received from the Governor's Office of Elderly Affairs that have not been spent and will be returned. The gross revenues for the following funds have been presented net of these advances. The composition of this account at June 30, 2004, is as follows:

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

Note 12 - Due to Funding Agency - (continued)

| | | |
|--|----|------------|
| Title III C-1 Area Agency Administration | \$ | 366 |
| Title III E Caregiver | | <u>448</u> |
| Total | \$ | <u>814</u> |

Note 13 - Interfund Transfers

Operating transfers in and out are listed by fund for the year ended June 30, 2004:

| | Funds Transferred To | | | | | |
|------------------------------|-----------------------|--------------------------|--------------------------|------------------------|-----------------------|---------------|
| <u>Funds Transferred Out</u> | <u>Title IIIB</u> | <u>Title III C-1</u> | <u>Title III C-2</u> | <u>Title III D</u> | <u>Title IIIE</u> | <u>Total</u> |
| General Fund | \$ - | - | - | - | 814 | 814 |
| Act 735 | - | - | <u>14,134</u> | <u>839</u> | - | <u>14,973</u> |
| Total General Funds | - | - | <u>14,134</u> | <u>839</u> | <u>814</u> | <u>15,787</u> |
| Special Revenue Funds: | | | | | | |
| Major Funds: | | | | | | |
| NSIP | - | 802 | 11,321 | - | - | 12,123 |
| Title C-1 | - | - | 4,303 | - | - | 4,303 |
| Non-major Funds: | | | | | | |
| Senior Center | - | - | 452 | - | - | 452 |
| Supplemental | | | | | | |
| Senior Center | <u>647</u> | - | <u>3,178</u> | - | - | <u>3,825</u> |
| Total Special | | | | | | |
| Revenue Funds | <u>647</u> | <u>802</u> | <u>19,254</u> | - | - | <u>20,703</u> |
| Total all funds | \$ <u>647</u> | <u>802</u> | <u>33,388</u> | <u>839</u> | <u>814</u> | <u>36,490</u> |

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2004

Note 13 - Interfund Transfers -- (continued)

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to use unrestricted revenues collected in the General Fund to finance various programs accounted with budgetary authorizations.

These transfers were eliminated as a part of the consolidation process in preparing the Government-Wide Financial Statements.

Note 14 - Litigation

As of June 30, 2004, the Council was not involved in litigation.

Note 15 - Changes in General Long-Term Debt

The following is a summary of transactions relating to the Council's general long-term debt for the year ended June 30, 2004:

| | Note Payable |
|-------------------------|----------------------|
| | <u>Ford Windstar</u> |
| Balance @ July 1, 2003 | \$ 5,502 |
| Payments | <u>(5,502)</u> |
| Balance @ June 30, 2004 | \$ <u> -</u> |

On May 18, 2000, the Claiborne Voluntary Council on Aging, Inc. borrowed \$21,000 at a rate of 9.0%. The first payment was due June 17, 2000 with all subsequent payments due on the same day of each month following. This note is secured by the 2000 Ford Windstar purchased with the proceeds of the note.

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2004

Note 16 - Economic Dependency

The Council receives the majority of its revenue from funds provided through grants administered by the 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 17 - Deferred Revenue

A summary of the Council's deferred revenue is as follows at year-end:

| <u>Program</u> | <u>Fund</u> | <u>Provider</u> | <u>Amount</u> |
|----------------------|-------------|------------------------|-----------------|
| Various | Title IIIB | Client contributions | \$ 82 |
| Congregate meals | Title C-1 | Client contributions | 490 |
| Home-delivered meals | Title C-2 | Client contributions | 578 |
| Respite | Title IIIE | Client contributions | <u>83</u> |
| | | Total deferred revenue | \$ <u>1,233</u> |

Expenditures/expenses relating to the deferred client contributions will be incurred in fiscal year 2005.

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

Claiborne Voluntary Council on Aging, Inc.
 Budgetary Comparison Schedule - State of Louisiana Act 735
 For the year ended June 30, 2004

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with</u> |
|---------------------------------------|-------------------------|--------------|-----------------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Budgetary (GAAP) Basis</u> | <u>Final Budget Favorable (Unfavorable)</u> |
| Revenues | | | | |
| Intergovernmental | | | | |
| Governor's Office of Elderly Affairs | \$ 18,120 | \$ 21,048 | \$ 21,048 | \$ - |
| Total Revenues | 18,120 | 21,048 | 21,048 | - |
| Expenditures | | | | |
| Capital outlay | - | 6,042 | 6,075 | (33) |
| Total Expenditures | - | 6,042 | 6,075 | (33) |
| Excess of Revenues Over Expenditures | 18,120 | 15,006 | 14,973 | (33) |
| Other Financing Sources (Uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (18,120) | (15,006) | (14,973) | 33 |
| Total Other Financing Sources (uses) | (18,120) | (15,006) | (14,973) | 33 |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balances | | | | |
| Beginning of Year | - | - | - | - |
| End of Year | \$ - | \$ - | \$ - | \$ - |

Claiborne Voluntary Council on Aging, Inc.
 Budgetary Comparison Schedule - Title III B Fund
 For the year ended June 30, 2004

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with</u> |
|---------------------------------------|-------------------------|----------------|---|---|
| | <u>Original</u> | <u>Final</u> | <u>Budgetary</u> <u>(GAAP) Basis</u> | <u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u> |
| Revenues | | | | |
| Intergovernmental | | | | |
| Governor's Office of Elderly Affairs | \$ 54,606 | \$ 54,606 | \$ 54,606 | \$ - |
| Public Support | 420 | 200 | 230 | 30 |
| Total Revenues | <u>55,026</u> | <u>54,806</u> | <u>54,836</u> | <u>30</u> |
| Expenditures | | | | |
| Salaries | 28,195 | 28,273 | 27,736 | 537 |
| Fringe | 2,651 | 2,590 | 2,480 | 110 |
| Travel | 2,438 | 1,449 | 1,150 | 299 |
| Operating Services | 10,636 | 9,438 | 8,982 | 456 |
| Operating Supplies | 3,142 | 6,904 | 6,178 | 726 |
| Other Costs | 339 | 342 | 342 | - |
| Legal Services | 2,730 | 2,730 | 2,920 | (190) |
| Capital Outlay | 6,271 | 5,748 | 5,695 | 53 |
| Total Expenditures | <u>56,402</u> | <u>57,474</u> | <u>55,483</u> | <u>1,991</u> |
| Excess of Revenues Over Expenditures | <u>(1,376)</u> | <u>(2,668)</u> | <u>(647)</u> | <u>2,021</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 1,376 | 2,668 | 647 | (2,021) |
| Transfers out | - | - | - | - |
| Total Other Financing Sources (uses) | <u>1,376</u> | <u>2,668</u> | <u>647</u> | <u>(2,021)</u> |
| Net Change in Fund Balance | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | | |
| Beginning of Year | - | - | - | - |
| End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Claiborne Voluntary Council on Aging, Inc.
 Budgetary Comparison Schedule - Title III C-1 Area Agency Administration
 For the year ended June 30, 2004

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with</u> |
|---------------------------------------|-------------------------|---------------|---|---|
| | <u>Original</u> | <u>Final</u> | <u>Budgetary</u> <u>(GAAP) Basis</u> | <u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u> |
| Revenues | | | | |
| Intergovernmental | | | | |
| Governor's Office of Elderly Affairs | \$ 20,528 | \$ 20,528 | \$ 20,162 | \$ (366) |
| Total Revenues | <u>20,528</u> | <u>20,528</u> | <u>20,162</u> | <u>(366)</u> |
| Expenditures | | | | |
| Salaries | 10,817 | 10,954 | 10,957 | (3) |
| Fringe | 1,009 | 1,005 | 963 | 42 |
| Travel | 512 | 244 | 180 | 64 |
| Operating Services | 6,718 | 5,426 | 5,280 | 146 |
| Operating Supplies | 958 | 2,380 | 2,261 | 119 |
| Other Costs | 514 | 521 | 521 | - |
| Total Expenditures | <u>20,528</u> | <u>20,530</u> | <u>20,162</u> | <u>368</u> |
| Excess of Revenues Over Expenditures | <u>-</u> | <u>(2)</u> | <u>-</u> | <u>2</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | - | 2 | - | (2) |
| Transfers out | - | - | - | - |
| Total Other Financing Sources (uses) | <u>-</u> | <u>2</u> | <u>-</u> | <u>(2)</u> |
| Net Change in Fund Balance | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | | |
| Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Claiborne Voluntary Council on Aging, Inc.
 Budgetary Comparison Schedule - Title III C-1 Fund
 For the year ended June 30, 2004

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with</u> |
|---------------------------------------|-------------------------|---------------|---|---|
| | <u>Original</u> | <u>Final</u> | <u>Budgetary</u> <u>(GAAP) Basis</u> | <u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u> |
| Revenues | | | | |
| Intergovernmental | | | | |
| Governor's Office of Elderly Affairs | \$ 29,465 | \$ 29,465 | \$ 29,465 | \$ - |
| Public Support | - | - | 4,303 | 4,303 |
| Total Revenues | <u>29,465</u> | <u>29,465</u> | <u>33,768</u> | <u>4,303</u> |
| Expenditures | | | | |
| Salaries | 10,454 | 10,369 | 10,296 | 73 |
| Fringe | 981 | 950 | 909 | 41 |
| Travel | 210 | 97 | 72 | 25 |
| Operating Services | 4,831 | 3,722 | 3,648 | 74 |
| Operating Supplies | 392 | 1,815 | 1,736 | 79 |
| Caterer - Raw Food | 5,650 | 5,650 | 6,185 | (535) |
| Caterer - Non-edibles | 6,121 | 6,121 | 6,599 | (478) |
| Other Costs | 826 | 821 | 822 | (1) |
| Total Expenditures | <u>29,465</u> | <u>29,545</u> | <u>30,267</u> | <u>(722)</u> |
| Excess of Revenues Over Expenditures | - | (80) | 3,501 | 3,581 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | - | 80 | 802 | 722 |
| Transfers out | - | - | (4,303) | (4,303) |
| Total Other Financing Sources (uses) | - | 80 | (3,501) | (3,581) |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balances | | | | |
| Beginning of Year | - | - | - | - |
| End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Claiborne Voluntary Council on Aging, Inc.
 Budgetary Comparison Schedule - Title III C-2 Fund
 For the year ended June 30, 2004

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with</u> |
|---------------------------------------|-------------------------|-----------------|---|---|
| | <u>Original</u> | <u>Final</u> | <u>Budgetary</u> <u>(GAAP) Basis</u> | <u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u> |
| Revenues | | | | |
| Intergovernmental | | | | |
| Governor's Office of Elderly Affairs | \$ 65,773 | \$ 65,773 | \$ 65,773 | \$ - |
| Public Support | 10,000 | 10,000 | 6,761 | (3,239) |
| Total Revenues | <u>75,773</u> | <u>75,773</u> | <u>72,534</u> | <u>(3,239)</u> |
| Expenditures | | | | |
| Salaries | 33,670 | 32,977 | 32,911 | 66 |
| Fringe | 3,157 | 3,021 | 2,894 | 127 |
| Travel | 885 | 356 | 263 | 93 |
| Operating Services | 20,841 | 17,967 | 17,111 | 856 |
| Operating Supplies | 6,340 | 9,046 | 7,507 | 1,539 |
| Caterer - Raw Food | 21,254 | 21,254 | 21,282 | (28) |
| Caterer - Non-edibles | 23,025 | 23,025 | 23,070 | (45) |
| Other Costs | 912 | 885 | 884 | 1 |
| Total Expenditures | <u>110,084</u> | <u>108,531</u> | <u>105,922</u> | <u>2,609</u> |
| Excess of Revenues Over Expenditures | <u>(34,311)</u> | <u>(32,758)</u> | <u>(33,388)</u> | <u>(630)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 34,311 | 32,758 | 33,388 | 630 |
| Transfers out | - | - | - | - |
| Total Other Financing Sources (uses) | <u>34,311</u> | <u>32,758</u> | <u>33,388</u> | <u>630</u> |
| Net Change in Fund Balance | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | | |
| Beginning of Year | - | - | - | - |
| End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Claiborne Voluntary Council on Aging, Inc.
 Budgetary Comparison Schedule - NSIP Fund
 For the year ended June 30, 2004

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with</u> |
|---------------------------------------|-------------------------|-----------------|---|---|
| | <u>Original</u> | <u>Final</u> | <u>Budgetary</u> <u>(GAAP) Basis</u> | <u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u> |
| Revenues | | | | |
| Intergovernmental | | | | |
| Governor's Office of Elderly Affairs | \$ 15,646 | \$ 18,096 | \$ 13,858 | \$ (4,238) |
| Total Revenues | <u>15,646</u> | <u>18,096</u> | <u>13,858</u> | <u>(4,238)</u> |
| Expenditures | | | | |
| Salaries | - | - | - | - |
| Fringe | - | - | - | - |
| Travel | - | - | - | - |
| Operating Services | - | - | - | - |
| Operating Supplies | - | - | - | - |
| Caterer - Raw Food | - | - | - | - |
| Caterer - Non-edibles | - | - | - | - |
| Other Costs | - | - | - | - |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess of Revenues Over Expenditures | <u>15,646</u> | <u>18,096</u> | <u>13,858</u> | <u>(4,238)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (15,646) | (18,096) | (12,123) | 5,973 |
| Total Other Financing Sources (uses) | <u>(15,646)</u> | <u>(18,096)</u> | <u>(12,123)</u> | <u>5,973</u> |
| Net Change in Fund Balance | <u>-</u> | <u>-</u> | <u>1,735</u> | <u>1,735</u> |
| Fund Balances | | | | |
| Beginning of Year | <u>9,924</u> | <u>9,924</u> | <u>9,924</u> | <u>9,924</u> |
| End of Year | <u>\$ 9,924</u> | <u>\$ 9,924</u> | <u>\$ 11,659</u> | <u>\$ 11,659</u> |

Claiborne Voluntary Council on Aging, Inc.
Notes to Required Supplemental Information
Year Ended December 31, 2004

Note 1: The Council is not required to and did not prepare a budget for the General Fund. The Budgetary Comparison Schedule – General Fund has therefore been omitted.

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA

Claiborne Voluntary Council On Aging
 Schedule Of Non-Major Special Revenue Funds
 For the Year Ended June 30, 2004

| | Title III D | Title III E | Audit | Senior Center | Helping Hands | Energy LA Atmos | Supplemental Senior Center Fund | Total |
|--|----------------|----------------|------------|------------------|------------------|--------------------|---------------------------------------|----------------|
| REVENUES | | | | | | | | |
| Intergovernmental - | | | | | | | | |
| Office of Elderly Affairs | 3,348 | 23,778 | 943 | 18,676 | - | - | 3,825 | 50,570 |
| Miscellaneous: | | | | | | | | |
| LA Councils on Aging | - | - | - | - | 4,616 | - | - | 4,616 |
| Energy | - | 141 | - | - | - | - | - | 141 |
| Client contributions | - | - | - | - | - | - | - | - |
| Other income | - | - | - | 18,676 | 4,616 | - | 3,825 | 55,327 |
| Total revenues | <u>3,348</u> | <u>23,919</u> | <u>943</u> | <u>18,676</u> | <u>4,616</u> | <u>-</u> | <u>3,825</u> | <u>55,327</u> |
| EXPENDITURES | | | | | | | | |
| Salaries | 3,265 | 14,215 | - | 6,726 | - | - | - | 24,206 |
| Fringe | 291 | 1,287 | - | 669 | - | - | - | 2,247 |
| Travel | 10 | 1,669 | - | - | - | - | - | 1,679 |
| Operating services | 323 | 2,119 | 943 | 9,169 | 3,943 | 400 | - | 16,897 |
| Operating supplies | 268 | 5,296 | - | 1,660 | - | - | - | 7,224 |
| Caterer | - | - | - | - | - | - | - | - |
| Legal | - | - | - | - | - | - | - | - |
| Nutrition consultant | 30 | 147 | - | - | - | - | - | 177 |
| Ombudsman coordinator | - | - | - | - | - | - | - | - |
| Bad debt expense | - | - | - | - | - | - | - | - |
| Debt service - principal | - | - | - | - | - | - | - | - |
| Debt service - interest | - | - | - | - | - | - | - | - |
| Total expenditures | <u>4,187</u> | <u>24,733</u> | <u>943</u> | <u>18,224</u> | <u>3,943</u> | <u>400</u> | <u>-</u> | <u>52,430</u> |
| Excess (deficiency) of revenues over expenditures | (839) | (814) | - | 452 | 673 | (400) | 3,825 | 2,897 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Operating transfers in | 839 | 814 | - | (452) | - | - | (3,825) | 1,653 |
| Operating transfers out | - | - | - | (452) | - | - | (3,825) | (4,277) |
| Total other financing sources (uses) | <u>839</u> | <u>814</u> | <u>-</u> | <u>(452)</u> | <u>-</u> | <u>-</u> | <u>(3,825)</u> | <u>(2,624)</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | - | - | - | - | 673 | (400) | - | 273 |
| FUND BALANCES | | | | | | | | |
| Beginning of year | - | - | - | - | 1,809 | 1,733 | - | 3,542 |
| End of year | - | - | - | - | 2,482 | 1,333 | - | 3,815 |

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
 COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS AND
 CHANGES IN GENERAL FIXED ASSETS
 For the Year Ended June 30, 2004

| | <u>July 1,</u> <u>2003</u> | <u>Additions</u> | <u>Deletions</u> | <u>June 30,</u> <u>2004</u> |
|--|-------------------------------|------------------|------------------|--------------------------------|
| <i>General fixed assets, at cost:</i> | | | | |
| Real property | \$ 3,500 | - | - | 3,500 |
| Leasehold improvements | 8,953 | 7,147 | - | 16,100 |
| Furniture and equipment | 12,947 | - | - | 12,947 |
| Computer and peripheral equipment | 8,246 | - | - | 8,246 |
| Automobiles | <u>57,393</u> | <u>4,200</u> | - | <u>61,593</u> |
| | | | | |
| Total general fixed assets | <u>\$ 91,039</u> | <u>11,347</u> | <u>-</u> | <u>102,386</u> |
| <i>Investment in general fixed assets:</i> | | | | |
| Title IIIC-1 AAA | \$ 861 | - | - | 861 |
| Title IIIB SS | 25,900 | - | - | 25,900 |
| Title IIIC-1 | 555 | - | - | 555 |
| Title IIIC-2 | 1,302 | - | - | 1,302 |
| Senior Center | 9,496 | 1,620 | - | 11,116 |
| Discretionary Fund | 14,857 | - | - | 14,857 |
| CCOA Special Funds and Local Donations | 37,975 | 9,727 | - | 47,702 |
| Title IIID | 48 | - | - | 48 |
| Title IIIF | <u>45</u> | <u>-</u> | <u>-</u> | <u>45</u> |
| | | | | |
| Total investment in general fixed assets | <u>\$ 91,039</u> | <u>11,347</u> | <u>-</u> | <u>102,386</u> |

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
 SCHEDULE OF PRIORITY SERVICES-
 TITLE III, PART B - GRANT FOR SUPPORTIVE SERVICES
 For the Year Ended June 30, 2004

| | | | | <u>% of GOEA Grant</u> |
|---|------------------------------|---------------|---------------|--------------------------------|
| Access (30%): | Transportation | \$ 15,926 | | |
| | Information & assistance | 12,717 | | |
| | Outreach | <u>6,293</u> | | |
| | Total access expenses | | 34,936 | <u>63.98%</u> |
| In-Home (15%): | Homemaker | <u>17,028</u> | | |
| | Total in-home expenses | | 17,028 | <u>31.18%</u> |
| Legal (5%): | Legal assistance | <u>2,920</u> | 2,920 | <u>5.35%</u> |
| Non-priority services | | | 599 | |
| Less: Legal assistance funds returned | | | <u>-</u> | |
| Total Title IIIB - Supportive services expenditures | | | 55,483 | |
| Less: | Participant contributions | | (230) | |
| | Transfers in | | (647) | |
| Add: | Total funds returned to GOEA | | <u>-</u> | |
| Title IIIB - Supportive services grant - Original grant award | | | <u>54,606</u> | |

JAMIESON, WISE & MARTIN
A PROFESSIONAL ACCOUNTING CORPORATION

601 MAIN STREET P.O. BOX 897
MINDEN, LOUISIANA 71058-0897
(318) 377-3171
FAX (318) 377-3177

MICHAEL W. WISE, C.P.A.
CARLOS E. MARTIN, C.P.A.
DAVID W. TINSLEY, C.P.A.

KRISTINE H. COLE, C.P.A.
JENNIFER C. SMITH, C.P.A.

WM. PEARCE JAMIESON, C.P.A.(1991)

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors
Claiborne Voluntary Council on Aging, Inc.
Homer, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Claiborne Voluntary Council on Aging, Inc. as of and for the year ended June 30, 2004, which collectively comprise the Council's basic financial statements and have issued our report thereon dated November 24, 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 Claiborne Voluntary 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 tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Claiborne Voluntary Council on Aging, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions 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 operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of directors, management, the Louisiana Governor's Office of Elderly Affairs, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Jamieson, Wise & Martin

Minden, Louisiana
November 24, 2004

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2004

During the audit of the general purpose financial statements for the year ended June 30, 2004, there were no findings or questioned costs noted which were required to be reported.

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
CORRECTIVE ACTION PLAN
June 30, 2004

During the audit of the basic financial statements for the year ended June 30, 2004, there were no findings, recommendations, and corrective actions noted which were required to be reported.

CLAIBORNE VOLUNTARY COUNCIL ON AGING, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2004

There were no audit findings reported in the audit of the general purpose financial statements of the Claiborne Voluntary Council on Aging, Inc. as of and for the prior year ended June 30, 2003.