

Red River Council on Aging, Inc.
Statement of Expenditures-Budget and Actual
For the Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
PCOA (Act 735):			
AAA	\$ 25	\$ 25	\$ 0
Title III-B	1,599	1,599	0
Title III-D	82	82	0
Title III C-2	<u>10,073</u>	<u>10,073</u>	<u>0</u>
Totals	<u>\$11,779</u>	<u>\$11,779</u>	<u>\$.....0</u>
Title III-B:			
Supportive Services:			
Salaries	\$29,378	\$28,330	\$ 1,048
Fringe	2,335	2,167	168
Travel	4,735	4,530	205
Operating Services	4,492	4,154	338
Operating Supplies	132	449	(317)
Other Costs	<u>1,433</u>	<u>1,433</u>	<u>0</u>
Totals	<u>\$42,505</u>	<u>\$41,063</u>	<u>\$1,442</u>
Senior Center:			
Salaries	\$ 9,285	\$ 9,276	\$ 9
Fringe	738	710	28
Travel	0	0	0
Operating Services	2,662	3,515	(853)
Operating Supplies	32	85	(53)
Other Costs	0	0	0
Title III-B	0	4,144	(4,144)
Title III C-2	<u>0</u>	<u>800</u>	<u>(800)</u>
Totals	<u>\$12,717</u>	<u>\$18,530</u>	<u>\$(5,813)</u>
Title III C-1:			
Salaries	\$21,284	\$21,439	\$ (155)
Fringe	1,691	1,640	51
Meals:			
Raw Food	14,900	13,472	1,428
Travel	94	42	52
Operating Services	4,784	4,935	(151)
Operating Supplies	137	93	44
Other Cost	<u>0</u>	<u>0</u>	<u>0</u>
Totals	<u>\$42,890</u>	<u>\$41,621</u>	<u>\$1,269</u>

continued next page.

See notes to the financial statements.

Red River Council on Aging, Inc.
Notes to Financial Statements
June 30, 1996

The Council may transfer funds between line items as often as required but must obtain prior approval from the Governor's Office of Elderly Affairs for funds received under contracts from this agency.

Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

g. Total Columns of Combined Statements - Overview:

Total columns on the combined statements - overview are captioned "Memorandum Only" to indicate that they are presented only to help with financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

h. Fixed Assets:

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in governmental fund types when purchased. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost.

i. Comparative Data:

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

Red River Council on Aging, Inc.
Notes to Financial Statements
June 30, 1996

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 a 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, Senior Center, the State Allocation Funds (Act 735), Special Legislative Enrichment Funds, Ombudsman Fund, Title F Funds, USDA Funds, and Project Independence Funds.

The Council receives reimbursements for Personal Care, Section 18 Transportation, Title XIX Adult Day Care and CACFP Nutrition Funds costs based upon a per unit of service provided method.

The Council encourages and receives contributions from clients and others to help offset the costs of programs. Also, the Council receives funds from the Helping Hands program from the Louisiana Association of Councils on Aging, Inc., and VFW funds for nutrition.

3. Grants Receivable-

This account represents amounts due from funding agencies. \$3,200 from Personal Care, \$1,323 from the CACFP Grant, and \$2,196 from Title III C-2.

4. In-kind Contributions-

The Council receives various in-kind contributions. Although these contributions have not been reported as revenues, the offsetting expenses have not been reported, thereby producing no effect on the financial statements.

5. Board of Director's Compensation-

The Board of Directors is a voluntary board. No compensation has been paid to any member.

6. 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. Form 990 is being filed on an annual basis.

7. Changes in General Fixed Assets-

The following changes were made in the general fixed assets for the year ended June 30, 1996:

	Balance <u>7-1-95</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6-30-96</u>
Buildings, Furniture, Vehicles, Equipment, and Capital Improvements	\$299,798	\$53,632	\$3,958	\$349,472

Red River Council on Aging, Inc.
Notes to Financial Statements
June 30, 1996

8. Pension Plans-

The employees of the Council are not covered by any pension system.

9. Cash, Cash Equivalents and Investments-

At June 30, 1996, the Council had cash and cash equivalents (book balances) totaling \$70,872 as follows-

Demand deposits	\$64,384
Certificates of deposit	<u>6,488</u>
Total	\$70,872

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 the deposit with 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.

10. Encumbrances-

The Council does not use the encumbrance system for financial records.

11. Annual and Sick Leave-

The Council has no unpaid vacation or sick leave at June 30, 1996.

12. Section 18 - Transportation

The Council received \$70,707 under Section 18 from the Louisiana Department of Transportation and Development (UMTA Grant #LA-18-X011). Total rural transportation costs were \$153,267 for the year ended June 30, 1996. These costs were funded as follows:

Title III-B	\$ 8,352
Title XIX funds	53,368
Section 18	67,547
Project Independence	<u>24,000</u>
Total	\$153,267

COMBINING FINANCIAL STATEMENTS

All Governmental Type Funds

General Funds

Local Funds - This fund can be used by the Council at its discretion.

PCOA (Act 735) - The Council may use these funds at its discretion.

Special Revenue Funds

Title 111-B Supportive Services Fund - This program provides access services, in-home services, community services, and transportation for the elderly.

Senior Center Fund - This program provides community service centers for the elderly.

Title 111-C-1 Congregate Meals Fund - These funds are used to provide nutritional congregate meals to the elderly in strategically located centers.

Title 111-C-2 Home Delivered Meals Fund - These funds are used to pay for nutritional meals to home-bound older persons.

Title 111-C-1 Administration Fund - These funds are used to pay for administration costs associated with the Title 111 and senior center programs.

Title 111-D Fund - These funds are used to provide in-home services to the frail and elderly person who is home-bound.

Audit Fund - These funds are used as a supplement to pay for the cost of having an annual audit of the Council's financial statements.

Legislative Enrichment Fund - The Council may use these funds at its discretion to supplement other programs.

CACFP Nutrition Fund - This fund is used to provide meals to the elderly.

VFW Fund - These funds are used to provide meals to the elderly.

Title XIX Adult Day Care Program - These funds are used to provide adult day care to the elderly.

Helping Hands Fund - These funds are used to provide assistance to the elderly for the payment of their utility bills.

Ombudsman Fund - These funds are used to provide ombudsman services.

Project Independence Fund - These funds are used for transportation of program participants.

U.S.D.A. Commodities Fund - This fund is used to account for the commodities provided for the elderly.

Title III - F - These funds are used for medical purposes for the elderly.

Jack Brown Building Fund - These funds come from donations and a special grant to improve, re-furbish, and operate a recreational building owned by the Council.

Personal Care - These funds are used for in-home care for the elderly.

Section 18 Funds - Funds received from this fund are based on actual operating costs. Funds are used to provide transportation services to rural residents within Red River Parish.

Red River Council on Aging, Inc.
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-
General Fund Types
Year Ended June 30, 1996

	<u>Local</u>	<u>PCOA Act 735</u>	<u>Totals</u>
REVENUES:			
Intergovernmental-			
Office of Elderly Affairs	\$ 0	\$ 11,779	\$ 11,779
Miscellaneous-			
Program Income, etc.	<u>16,078</u>	<u>0</u>	<u>16,078</u>
Total Revenues	<u>\$16,078</u>	<u>\$ 11,779</u>	<u>\$ 27,857</u>
EXPENDITURES:			
Current-			
Salaries	\$ 243	\$ 0	\$ 243
Fringe	19	0	19
Meals	0	0	0
Travel	193	0	193
Operating Services	0	0	0
Operating Supplies	0	0	0
Other Cost	54	0	54
Capital Outlay	<u>14,850</u>	<u>0</u>	<u>14,850</u>
Total Expenditures	<u>\$15,359</u>	<u>\$ 0</u>	<u>\$ 15,359</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 719	\$ 11,779	\$ 12,498
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	0	0	0
Operating Transfers (Out)	<u>(611)</u>	<u>(11,779)</u>	<u>(12,390)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expen- ditures and Other Uses	\$ 108	\$ 0	\$ 108
Fund Balance-Beginning of Year	<u>38,043</u>	<u>0</u>	<u>38,043</u>
Fund Balance-End of Year	<u>\$38,151</u>	<u>\$ 0</u>	<u>\$ 38,151</u>

See notes to financial statements.

INDIVIDUAL FUND INFORMATION

CACFP Nutrition Fund	VFW Fund	Title XIX Adult Day Care	Helping Hands Utility	Ombudsman	Project Independence	USDA	Title III-F	Jack Brown Building	Personal Care Fund	Section 18	TOTALS
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,000
0	0	0	0	1,494	0	0	1,763	0	0	0	135,237
16,548	0	0	0	0	0	0	0	0	0	0	16,548
0	0	182,625	0	0	0	0	0	0	40,100	0	222,725
0	0	0	0	0	24,000	0	0	0	0	0	24,000
0	0	0	0	0	0	0	0	0	0	70,707	70,707
0	0	0	277	0	0	0	0	0	0	0	277
0	0	0	0	0	0	0	0	0	0	0	30,803
0	5,579	0	0	0	0	0	0	0	0	0	5,579
31	0	22,912	0	0	0	0	0	30,175	0	10,788	121,276
\$16,579	\$5,579	\$205,537	\$277	\$1,494	\$24,000	\$0	\$1,763	\$30,175	\$40,100	\$81,495	\$637,152
\$ 3,908	\$4,960	\$114,220	\$ 0	\$1,202	\$14,120	\$ 0	\$1,104	\$ 0	\$25,438	\$45,741	\$329,615
303	381	8,735	0	92	1,080	0	84	0	1,944	3,499	25,216
11,953	0	15,013	0	0	0	2,583	0	0	0	0	108,823
433	0	305	0	0	0	0	0	0	638	0	6,784
0	0	40,114	0	102	1,882	0	0	0	3,271	14,542	83,761
0	0	6,031	0	98	0	0	575	0	0	1,579	9,334
38	0	12,864	0	0	0	0	0	38,782	0	0	59,117
0	0	0	288	0	0	0	0	0	0	0	288
\$16,635	\$5,341	\$197,282	\$288	\$1,494	\$17,082	\$2,583	\$1,763	\$38,782	\$31,291	\$65,361	\$622,938
\$ (56)	\$ 238	\$ 8,255	\$ (11)	\$ 0	\$ 6,918	\$(2,583)	\$ 0	\$(8,607)	\$ 8,809	\$16,134	\$ 14,214
0	42	0	11	0	0	0	0	0	0	0	19,880
0	0	0	0	0	0	(2,546)	0	0	0	0	(7,490)
\$ (56)	\$ 280	\$ 8,255	\$ 0	\$ 0	\$ 6,918	\$(5,129)	\$ 0	\$(8,607)	\$ 8,809	\$16,134	\$ 26,604
3,486	(280)	(24,602)	0	0	499	5,129	0	0	3,008	23,400	10,640
\$ 3,430	\$ 0	\$(16,347)	\$ 0	\$ 0	\$ 7,417	\$ 0	\$ 0	\$(8,607)	\$11,817	\$39,534	\$ 37,244

Red River Council on Aging, Inc.
Notes to Financial Statements
June 30, 1996

Governmental Fund Types-

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

General Funds - The General Funds are the general operating funds of the Council. They are used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments and major capital projects) that are legally restricted to expenditures for specified purposes.

d. Basis of Accounting:

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

Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

e. 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.

f. Budget Policy:

Budgets for the various programs are prepared by the Council's Executive Director and approved by the Council's Board of Directors and the grantor of the funds for each respective program. The Board however does not adopt a formal budget for the following funds: Local Funds, Section 18 Funds, Title XIX Funds, Helping Hands Funds, Legislative Enrichment Funds, CACFP Nutrition Funds, VFW Funds, Jack Brown Building Fund, and Project Independence Funds. Consequently no budgetary comparisons are available for these funds. Appropriations from the Governor's Office of Elderly Affairs lapse at year end (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.

SCHEDULES AND OTHER INFORMATION

Red River Council on Aging, Inc.
Compensation to Board Members
Year Ended June 30, 1996

No per diem or travel was paid to the Board Members for attending the Board meetings for the year ended June 30, 1996.

Red River Council on Aging, Inc.
Notes to Financial Statements
June 30, 1996

1. Summary of Significant Accounting Policies-

a. Presentation of Statements:

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.

The accompanying financial statements conform to generally accepted accounting principles for state and local governments. These statements have also incorporated any applicable requirements set forth by Audits of State and Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants; Section VI - Annual Financial Reporting, accounting manual for Governor's Office of Elderly Affairs contractors; and, the Louisiana Governmental Audit Guide.

b. Organization:

Act 456 of 1964 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. Each council is a non-profit corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs and any other entity that provides the Council with federal or state funds.

The primary function of the Red River Council on Aging, Inc. is to provide services to the elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Such services include providing meals and nutritional education, information and referral services, legal assistance, operating senior centers, and transportation. A Board of Directors governs the council.

c. Fund Accounting:

The accounts of the Council are organized on the basis of funds and an account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in the individual funds based upon the purposes for which they are to be spent, and the means by which spending activities are controlled. The various funds presented in the financial statements in this report are as follows:

Red River Council on Aging, Inc.
Questioned Costs
Year Ended June 30, 1996

For the year ended June 30, 1996, there were no questioned costs for the Red River Council on Aging, Inc.

NOTES TO FINANCIAL STATEMENTS

Red River Parish Council on Aging, Inc.
Special Revenue Funds

Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended June 30, 1996
With Comparative Actual Amounts from Year Ended June 30, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
REVENUES:				
Intergovernmental	\$166,040	\$166,040	\$ 0	\$166,632
Miscellaneous	<u>56,250</u>	<u>57,370</u>	<u>(1,120)</u>	<u>56,501</u>
Total Revenues	<u>\$222,290</u>	<u>\$223,410</u>	<u>\$ (1,120)</u>	<u>\$223,133</u>
EXPENDITURES:				
Current-				
Salaries	\$113,298	\$111,479	\$ 1,819	\$109,215
Fringe	9,004	8,528	476	8,660
Meals	58,720	81,857	(23,137)	79,510
Travel	5,645	5,344	301	7,162
Operating Services	20,180	23,952	(3,772)	22,580
Operating Supplies	1,634	1,724	(90)	2,731
Other Costs	<u>7,433</u>	<u>7,433</u>	<u>0</u>	<u>7,466</u>
Total Expenditures	<u>\$215,914</u>	<u>\$240,317</u>	<u>\$(24,403)</u>	<u>\$237,324</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,376	\$ (16,907)	\$(23,283)	\$ (14,191)
OTHER FINANCING SOURCES:				
Operating Transfers In	5,525	19,268	13,743	31,745
Operating Transfers Out	<u>(12,500)</u>	<u>(7,490)</u>	<u>5,010</u>	<u>(14,885)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	\$ (599)	\$ (5,129)	\$ (4,530)	\$ 2,669
Fund Balance-Beginning of Year	<u>5,129</u>	<u>5,129</u>	<u>0</u>	<u>2,460</u>
Fund Balance-End of Year	<u>\$ 4,530</u>	<u>\$ 0</u>	<u>\$(4,530)</u>	<u>\$ 5,129</u>

See notes to financial statements

Red River Council on Aging, Inc.
Schedule of Federal Financial Assistance
Year Ended June 30, 1996

<u>Federal Grantor/Pass through Grantors/Program</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
Department of Health and Human Services: Passed through La. Governor's Office of Elderly Affairs-				
Special Program for the Aging-				
Title III B-(Support Services)	93.044	\$ 32,744	\$ 32,744	\$ 32,744
Title III C-I (Administration)	93.045	8,721	8,721	8,721
Title III C-I (Meals)	93.045	24,845	24,845	24,845
Title III C-II (Home Deliveries Meals)	93.045	45,377	45,377	45,377
Title III D (In-home Services)	93.046	734	734	734
Ombudsman Services	93.042	1,494	1,494	1,494
Title III F	93.043	1,763	1,763	1,763
Department of Agriculture: Passed through LA Dept. of Education CACFP Funds-Cash	10.550	16,548	16,548	16,548
Department of Transportation: Passed through Red River Police Jury- U.M.T.A. Non-urbanized Area Public Transportation Program- Federal Project #LA-18-X010	20.509	<u>70,707</u>	<u>70,707</u>	<u>65,361</u>
TOTALS		<u>\$202,933</u>	<u>\$202,933</u>	<u>\$197,587</u>

Red River Council on Aging, Inc.
Statement of Expenditures-Budget and Actual
For the Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Title F:			
Salaries	\$ 1,104	\$ 1,104	\$ 0
Fringe	84	84	0
Operating Services	0	0	0
Operating Supplies	575	575	0
Other Costs	<u>0</u>	<u>0</u>	<u>0</u>
Totals	\$ 1,763	\$ 1,763	\$ 0
Title III C-2:			
Salaries	\$ 43,762	\$ 43,087	\$ 675
Fringe	3,481	3,296	185
Meals:			
Raw Food	31,650	32,802	(1,152)
Labor & Non-Edibles	12,170	11,410	760
USDA Food	0	21,590	(21,590)
Travel	214	85	129
Operating Services	6,384	9,235	(2,851)
Operating Supplies	314	111	203
Other Costs	<u>6,000</u>	<u>6,000</u>	<u>0</u>
Totals	\$103,975	\$127,616	\$(23,641)
Title III C-1 - Administration:			
Salaries	\$ 6,841	\$ 6,601	\$ 240
Fringe	545	505	40
Travel	297	391	(94)
Operating Services	602	946	(344)
Operating Supplies	436	303	133
Other Costs	<u>0</u>	<u>0</u>	<u>0</u>
Totals	\$ 8,721	\$ 8,746	\$ (25)
Title III D:			
Salaries	\$ 441	\$ 440	\$ 1
Fringe	35	34	1
Travel	302	296	6
Operating Services	36	36	0
Operating Supplies	3	10	(7)
Other Costs	<u>0</u>	<u>0</u>	<u>0</u>
Totals	\$ 817	\$ 816	\$ 1
Audit:			
Operating Services	\$ 1,029	\$ 1,029	\$ 0

continued next page.

See notes to the financial statements.

Johnson, Thomas & Cunningham

Certified Public Accountants

Edlie G. Johnson, Jr., C.P.A., A Professional Corporation
Mark D. Thomas, C.P.A., A Professional Corporation
Roger M. Cunningham, C.P.A., A Professional Corporation

Exhibit 11-4
Page 37
321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

To the Board of Directors of
Red River Council on Aging, Inc.
Coushatta, Louisiana

We have audited the general purpose financial statements of the Red River Council on Aging, Inc. for the year ended June 30, 1996, and have issued our report thereon dated September 18, 1996. These general purpose financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Governmental Auditing Standards, issued by the Comptroller General of the United States, the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments", and the Louisiana Governmental Audit Guide. Those standards and OMB Circular A-128 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 opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Red River Council on Aging, Inc., Coushatta, Louisiana, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Johnson, Thomas & Cunningham
Johnson, Thomas & Cunningham, CPA's

September 18, 1996
Natchitoches, Louisiana

1122

RECEIVED
LEGISLATIVE AUDITOR

96 OCT 14 AM 9:00

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

RED RIVER COUNCIL ON AGING, INC.
COUSHATTA, LOUISIANA

ANNUAL FINANCIAL REPORT
JUNE 30, 1996

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

Release Date NOV 13 1996

Red River Council on Aging, Inc.
Exit Conference
Year Ended June 30, 1996

An exit conference was held on October 4, 1996. The conference was attended by Mrs. Mary S. Wailes, Director of the Council, and Mark Thomas, from the firm of Johnson, Thomas & Cunningham, Certified Public Accountants. The report and records of the Council were discussed, along with the annual tax return and annual inventory report. The firm of Johnson, Thomas & Cunningham will prepare the Federal income tax return (Form 990) for the year ended June 30, 1996. A representation letter was signed by Mrs. Mary S. Wailes, Director.

Red River Council on Aging, Inc.

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Independent's Auditor's Report	---	1-2
<u>Internal Control Reports</u>		
Independent Auditors' Report on the Internal Control Structure Based on an Audit of General Purpose or Basic Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	---	3-4
Independent Auditors' Report on the Internal Control Structure Used in Administering Federal Financial Assistance Programs	---	5-7
<u>Compliance Reports</u>		
Independent Auditor's Report on Compliance Based on an Audit of General Purpose or Basic Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	---	8
Independent Auditors' Report on Compliance with the General Requirements Applicable to Federal Financial Assistance Programs	---	9-10
Independent Auditor's Report on Compliance with Specific Requirements Applicable to Nonmajor Federal Financial Assistance Transactions	---	11
<u>General Purpose Financial Statements (Combined Statements - Overview)</u>		
Combined Balance Sheet-All Fund Types and Account Group	A	13
Combined Statement of Revenues, Expenditures and Changes in Fund Balances-All Governmental Fund Types	B	14
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget (GAAP Basis) and Actual-General Fund	C	15

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

General requirements:

- Political activity
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Administrative requirements

Specific requirements:

- Types of services
- Matching, level of effort
- Reporting
- Special requirements

Claims for advances and reimbursements

Amounts claimed or used for matching

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

During the year ended June 30, 1996, the Red River Council on Aging, Inc. had no major federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the Council's non-major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Council's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

Separation of Duties

Finding:

The accounting department of the Council consists of only two employees. This leaves very little opportunity to have a proper separation of duties needed for a strong system of internal control.

Recommendation:

Since the cost of an internal control system should not outweigh the benefits derived from it, we can not recommend that additional personnel be added, and have no recommendation to make in this area.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. We consider the above condition to be a material weakness.

This report is intended solely for the use of management, all applicable Federal agencies, and those other governmental units from which financial assistance was received and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon delivery to the Red River Council on Aging, Inc., is a matter of public record.


Johnson, Thomas & Cunningham, CPA's

September 18, 1996
Natchitoches, Louisiana

Johnson, Thomas & Cunningham

Certified Public Accountants

Page 9

Eddie G. Johnson, Jr. C.P.A., S.A. Professional Corporation
Mark D. Thomas, C.P.A., S.A. Professional Corporation
Roger M. Cunningham, C.P.A., S.A. Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
THE GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Board of Directors of the
Red River Council on Aging, Inc.
Coushatta, LA 71019

We have audited the accompanying general purpose financial statements of the Red River Parish Council on Aging, Inc., as of and for the year ended June 30, 1996, and have issued the report thereon dated September 18, 1996.

We have applied procedures to test the Red River Parish Council on Aging, Inc.'s compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the year ended June 30, 1996:

Political activity
Civil rights
Federal financial reports
Allowable costs/cost principles
Drug-free Workplace act
Administrative requirements

Our procedures were limited to the applicable procedures described in the Office of Management and budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Red River Parish Council on Aging, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no instances of noncompliance with the requirements listed in the first paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Red River Parish Council on Aging, Inc. had not complied, in all material respects, with those requirements.

Johnson, Thomas & Cunningham

Certified Public Accountants

Page 8

Eddie G. Johnson, Jr., C.P.A., S.P.A. Professional Corporation
Mark D. Thomas, C.P.A., S.P.A. Professional Corporation
Roger M. Cunningham, C.P.A., S.P.A. Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE OR BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of the
Red River Council on Aging, Inc.
Coushatta, LA 71019

We have audited the general purpose financial statements of the Red River Council on Aging, Inc., Coushatta, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated September 18, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments", and the Louisiana Governmental Audit Guide. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements being audited are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Red River Council on Aging, Inc. is the responsibility of the Council's management. As part of obtaining reasonable assurance about whether the aforementioned financial statements are free of material misstatement, we performed tests of the Council's compliance with certain provisions of laws, regulations, contracts and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

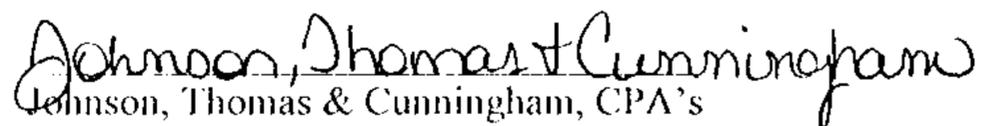
The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of management. This restriction is not intended to limit the distribution of this report, which, upon delivery to the Red River Council on Aging, Inc., is a matter of public record.

Johnson, Thomas & Cunningham
Johnson, Thomas & Cunningham, CPA's

September 18, 1996
Natchitoches, Louisiana

This report, is intended for the information of management, applicable Federal agencies, and other governmental agencies from which financial assistance was received. This restriction is not intended to limit the distribution of this report, which, upon delivery to the Red River Parish Council on Aging, Inc. is a matter of public record.


Johnson, Thomas & Cunningham, CPA's

September 18, 1996
Natchitoches, Louisiana

Johnson, Thomas & Cunningham

Certified Public Accountants

Page 11

Eddie G. Johnson, Jr., C.P.A., A Professional Corporation
Mark D. Thomas, C.P.A., A Professional Corporation
Roger M. Cunningham, C.P.A., A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NON-MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

To the Board of Directors of the
Red River Council on Aging, Inc.
Coushatta, LA 71019

We have audited the general purpose financial statements of the Red River Council on Aging, Inc., Coushatta, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated September 18, 1996.

In connection with our audit of the general purpose financial statements of the Red River Council on Aging, Inc. and with our study and evaluation of the Council's internal control systems used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments", we selected certain transactions applicable to certain non-major federal financial assistance programs for the year ended June 30, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; matching; reporting; claims for reimbursements, and amounts claimed or used for matching that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Red River Council on Aging, Inc.'s compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no instances of noncompliance with the requirements listed in the preceding paragraph. With respect to the items not tested, nothing came to our attention that caused us to believe that the Red River Council on Aging, Inc. had not complied, in all material respects, with those requirements.

This report is intended for the information of management, applicable Federal agencies, and other governmental agencies from whom financial assistance was received. This restriction is not intended to limit the distribution of this report, which, upon delivery to the Red River Council on Aging, Inc., is a matter of public record.

Johnson, Thomas & Cunningham
Johnson, Thomas & Cunningham, CPA's

September 18, 1996
Natchitoches, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

Red River Council on Aging, Inc.
Combined Balance Sheet-All Fund Types and Account Group
June 30, 1996 and 1995

	<u>Fund Types</u>		<u>Account Group</u>	<u>Totals</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>General Fixed Assets</u>	<u>(Memorandum Only)</u> <u>1996</u>	<u>1995</u>
<u>Assets</u>					
Cash	\$31,663	\$32,721	\$ 0	\$ 64,384	\$ 23,584
Certificates of Deposit	6,488	0	0	6,488	6,198
Grants Receivable	0	6,719	0	6,719	18,900
General Fixed Assets	<u>0</u>	<u>0</u>	<u>349,472</u>	<u>349,472</u>	<u>299,798</u>
Total Assets	\$38,151	\$39,440	\$349,472	\$427,063	\$348,480
<u>Liabilities & Fund Equity</u>					
<u>Liabilities-</u>					
Accounts Payable	\$ 0	\$ 2,196	\$ 0	\$ 2,196	\$ 0
<u>Fund Equity-</u>					
<u>Fund Balances-</u>					
Unreserved-Undesignated	38,151	37,244	0	75,395	48,682
Investment in General Fixed Assets	<u>0</u>	<u>0</u>	<u>349,472</u>	<u>349,472</u>	<u>299,798</u>
Total Liabilities & Fund Equity	\$38,151	\$39,440	\$349,472	\$427,063	\$348,480

See notes to financial statements.

Red River Parish Council on Aging, Inc.
General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended June 30, 1996
With Comparative Actual Amounts from Year Ended June 30, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
REVENUES:				
Intergovernmental	\$ 11,779	\$ 11,779	\$0	\$11,779
EXPENDITURES:	<u> 0</u>	<u> 0</u>	<u> 0</u>	<u> 0</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ <u>11,779</u>	\$ <u>11,779</u>	\$ <u>0</u>	\$ <u>11,779</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers (to)-				
AAA Fund	\$ (25)	\$ (25)	\$0	\$ 0
III-D Fund	(82)	(82)	0	(155)
C-2 Fund	(10,072)	(10,072)	0	(7,215)
III-B Fund	(1,600)	(1,600)	0	0
III-F Fund	0	0	0	(28)
Senior Center	0	0	0	(3,006)
Ombudsman	0	0	0	(466)
Legislative Enrichment	0	0	0	(306)
III C-1	<u> 0</u>	<u> 0</u>	<u> 0</u>	<u> (603)</u>
Total Other Financing	\$ <u>(11,779)</u>	\$ <u>(11,779)</u>	\$ <u>0</u>	\$ <u>(11,779)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	\$ 0	\$ 0	\$0	\$ 0
Fund Balance-Beginning of Year	<u> 0</u>	<u> 0</u>	<u> 0</u>	<u> 0</u>
Fund Balance-End of Year	\$ <u> 0</u>	\$ <u> 0</u>	\$ <u>0</u>	\$ <u> 0</u>

See notes to financial statements.

Red River Council on Aging, Inc.
Statement of Expenditures-Budget and Actual
For the Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Ombudsman:			
Salaries	\$1,203	\$1,202	\$ 1
Fringe	95	92	3
Travel	3	0	3
Operating Services	191	102	89
Operating Supplies	5	98	(93)
Other Costs	<u>0</u>	<u>0</u>	<u>0</u>
Totals	\$1,497	\$1,494	\$ 3
USDA:			
Meals	\$ 0	\$2,583	\$(2,583)
Title III C-2	<u>2,546</u>	<u>2,546</u>	<u>0</u>
Totals	\$2,546	\$5,129	\$(2,583)

See notes to the financial statements.

	<u>Exhibit</u>	<u>Page</u>
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget (GAAP Basis) and Actual-Special Revenue Funds	D	16
Notes to the Financial Statements	---	17-22
<u>Combining Financial Statements</u>		
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-General Funds	E-1	25
Combining Statement of Program Revenues and Expenditures- Special Revenue Funds	E-2	26
<u>Individual Fund Information</u>		
Statement of Expenditures-Budget and Actual	F	28-30
<u>Account Group Financial Statement</u>		
Comparative Statement of General Fixed Assets	G	32
<u>Schedules and Other Information</u>		
Compensation Paid to Board Members	H-1	34
Questioned Costs	H-2	35
Exit Conference Information	H-3	36
Independent Auditors' Report on Schedule of Federal Financial Assistance	H-4	37
Report on Schedule of Federal Financial Assistance	H-5	38

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, Jr., C.P.A., A Professional Corporation
Mark D. Thomas, C.P.A., A Professional Corporation
Roger M. Cunningham, C.P.A., A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Red River Council on Aging, Inc.
Coushatta, Louisiana

We have audited the accompanying general purpose financial statements of the Red River Council on Aging, Inc. as of June 30, 1996, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the U. S. General Accounting Office, the provisions of the Office of Management and Budget Circular A-128, "Audits of State and Local Governments", and the Louisiana Governmental Audit Guide. Those standards and OMB Circular A-128 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 general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Red River Council on Aging, Inc. as of June 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, account group 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 general purpose financial statements of the Red River Council on Aging, Inc. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the Red River Council on Aging, Inc.

Johnson, Thomas & Cunningham
Johnson, Thomas & Cunningham, CPA's

September 18, 1996
Natchitoches, Louisiana

Eddie G. Johnson, Jr., C.P.A., S.P.A. Professional Corporation
Mark D. Thomas, C.P.A., S.P.A. Professional Corporation
Roger M. Cunningham, C.P.A., S.P.A. Professional Corporation

391 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF GENERAL PURPOSE OR BASIC FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Red River Council on Aging, Inc.
Coushatta, LA 71019

We have audited the general purpose financial statements of the Red River Council on Aging, Inc., Coushatta, Louisiana, for the year ended June 30, 1996, and have issued our report thereon dated September 18, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments", and the Louisiana Governmental Audit Guide. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements covered by our report are free of material misstatement.

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

In planning and performing our audit of the general purpose financial statements of the Red River Council on Aging, Inc., for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Separation of Duties

The accounting department of the Council consists of only two employees. This leaves very little opportunity to have a proper separation of duties needed for a strong system of internal control.

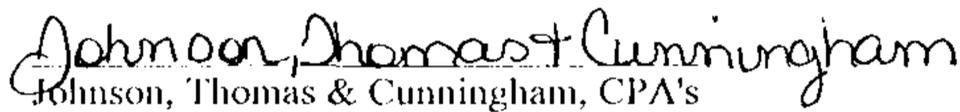
Recommendation:

Since the cost of an internal control system should not outweigh the benefits derived from it, we cannot recommend that additional personnel be added, and have no recommendation to make in this area.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the use of management, all applicable Federal agencies, and those other governmental units from which financial assistance was received and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon delivery to the Red River Council on Aging, Inc., is a matter of public record.


Johnson, Thomas & Cunningham, CPA's

September 18, 1996
Natchitoches, Louisiana

Johnson, Thomas & Cunningham

Certified Public Accountants

Page 5

Willie G. Johnson, Jr., C.P.A., S.P.A. Professional Corporation
Mark D. Thomas, C.P.A., S.P.A. Professional Corporation
Roger M. Cunningham, C.P.A., S.P.A. Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3632
Fax (318) 352-4447

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

To the Board of Directors of the
Red River Council on Aging, Inc.
Coushatta, LA 71019

We have audited the general purpose financial statements of the Red River Council on Aging, Inc., Coushatta, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated September 18, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments"; and the Louisiana Governmental Audit Guide. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, and about whether the Red River Council on Aging, Inc. complied with laws and regulations, noncompliance with which would be material to a non-major federal financial assistance program.

In planning and performing our audit for the year ended June 30, 1996, we considered the Council's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the Council's financial statements and on its compliance with requirements applicable to non-major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs.

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

ACCOUNT GROUP FINANCIAL STATEMENT

Red River Council on Aging, Inc.
Comparative Statement of General Fixed Assets
June 30, 1996 and 1995

	June 30, <u>1996</u>	June 30, <u>1995</u>
GENERAL FIXED ASSETS:		
Vans & Car	\$102,238	\$106,196
Buildings	97,781	97,781
Furniture, Equipment and Capital Improvements	<u>149,453</u>	<u>95,821</u>
Total	<u>\$349,472</u>	<u>\$299,798</u>
INVESTMENT IN GENERAL FIXED ASSETS:		
Property Acquired Prior to July 1, 1985*	\$ 99,394	\$ 99,394
Property Acquired After July 1, 1985- Section XVIII, Net	62,666	66,624
Property Acquired After July 1, 1985- Title XIX - Adult Day Care	4,823	4,823
Property Acquired After July 1, 1985- CACFP Funds	5,815	5,815
Property Acquired After July 1, 1985- Section 735 Funds	2,041	2,041
Property Acquired After July 1, 1985- Local Funds	135,951	121,101
Property Acquired After July 1, 1985- Jack Brown Building Fund	<u>38,782</u>	<u>0</u>
Total Investment in General Fixed Assets	<u>\$349,472</u>	<u>\$299,798</u>

* Records reflecting source from which assets were acquired were not maintained prior to July 1, 1985.

See notes to financial statements.

Red River Council on Aging, Inc.
Combined Statement of Revenues, Expenditures and Changes in Fund Balances-
All Governmental Fund Types
Year Ended June 30, 1996
With Comparative Amounts from Year Ended June 30, 1995

	General Fund Types	Special Revenue Fund Types	Totals (Memorandum Only)	
			1996	1995
REVENUES:				
Intergovernmental	\$ 11,779	\$515,876	\$527,655	\$470,823
Miscellaneous	<u>16,078</u>	<u>121,276</u>	<u>137,354</u>	<u>106,971</u>
Total Revenues	<u>\$ 27,857</u>	<u>\$637,152</u>	<u>\$665,009</u>	<u>\$577,794</u>
EXPENDITURES:				
Current-				
Salaries	\$ 243	\$329,615	\$329,858	\$294,382
Fringe	19	25,216	25,235	23,412
Meals	0	108,823	108,823	107,134
Travel	193	6,784	6,977	11,135
Operating Services	0	83,761	83,761	84,647
Operating Supplies	0	9,334	9,334	13,884
Other Costs	54	59,117	59,171	22,291
Utility Assistance	0	288	288	316
Capital Outlay	<u>14,850</u>	<u>0</u>	<u>14,850</u>	<u>5,327</u>
Total Expenditures	<u>\$ 15,359</u>	<u>\$622,938</u>	<u>\$638,297</u>	<u>\$562,528</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 12,498	\$ 14,214	\$ 26,712	\$ 15,266
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	19,880	19,880	32,351
Operating Transfers (Out)	<u>(12,390)</u>	<u>(7,490)</u>	<u>(19,880)</u>	<u>(32,351)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expen- ditures and Other Uses	\$ 108	\$ 26,604	\$ 26,712	\$ 15,266
Fund Balance-Beginning of Year	38,043	10,640	48,683	33,416
Equity Transfers-In	0	0	0	9,616
Equity Transfers-Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>(9,616)</u>
Fund Balance-End of Year	<u>\$ 38,151</u>	<u>\$ 37,244</u>	<u>\$ 75,395</u>	<u>\$ 48,682</u>

See notes to financial statements.