

The management of the Council is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements 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 general purpose financial statements in accordance with generally accepted accounting principles, and that 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.

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:

Accounting

- Budgeting
- Cash Receipts
- Cash Disbursements
- Payroll
- Fixed Assets

General Requirements

- Political Activity
- Civil Rights
- Cash Management
- Federal Financial Reports
- Allowable Cost / Cost Principles
- Drug-Free Workplace Act
- Administrative Requirements

Specific Requirements

- Types of Services Allowed or Unallowed
- Eligibility
- Claims for advances and reimbursement
- Federal Financial Reports
- Special Tests and Procedures, if any - Compliance Supplement

COMPENSATION TO BOARD MEMBERS

Jefferson Council on Aging, Inc.

For the year ended June 30, 1996

No members of the Board of Directors of Jefferson Council on Aging, Inc. received compensation for their services during the year ended June 30, 1996.

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

This report is intended for the information of management, and various federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

Metairie, La.,
July 26, 1996.

**STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL -
SPECIAL REVENUE FUNDS**

Jefferson Council on Aging, Inc.

For the year ended June 30, 1996

	Budgeted Expenditures	Actual Expenditures	Excess (Deficit) Budgeted Over Actual Expenditures
JTPA			
Salaries	\$ 34,076	\$ 25,789	\$ 8,287
Fringe	4,829	3,489	1,340
Travel	1,550	528	1,022
Operating services	22,484	11,066	11,418
Operating supplies	540	737	(197)
Other cost	24,464	9,600	14,864
Capital outlay	-	5,254	(5,254)
In-kind contributions	-	-	-
	<u>87,943</u>	<u>56,463</u>	<u>31,480</u>
Ombudsman			
Salaries	20,427	21,688	(1,261)
Fringe	4,780	4,630	150
Travel	1,504	1,525	(21)
Operating services	3,407	3,297	110
Operating supplies	198	226	(28)
Other cost	6,436	6,776	(340)
In-kind contributions	-	-	-
	<u>36,752</u>	<u>38,142</u>	<u>(1,390)</u>
Senior Center			
Salaries	181,156	189,767	(8,611)
Fringe	38,062	37,455	607
Travel	1,815	1,721	94
Operating services	41,386	42,825	(1,439)
Operating supplies	1,179	1,224	(45)
Other cost	47,195	49,798	(2,603)
Capital outlay	-	790	(790)
In-kind contributions	<u>397,914</u>	<u>397,914</u>	<u>-</u>
	<u>708,707</u>	<u>721,494</u>	<u>(12,787)</u>

**Schedule 5
(Continued)**

	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	Excess (Deficit) Budgeted Over Actual Expenditures
Local			
Salaries	48,312	47,220	1,092
Fringe	10,574	9,540	1,034
Travel	529	349	180
Operating services	10,374	9,714	660
Operating supplies	462	457	5
Other cost	17,426	16,633	793
Capital outlay	1,266	1,276	(10)
In-kind contributions	-	-	-
	<u>88,943</u>	<u>85,189</u>	<u>3,754</u>
Community Committees			
Salaries	-	-	-
Fringe	-	-	-
Travel	-	-	-
Operating services	31,896	31,896	-
Operating supplies	31,001	31,001	-
Other cost	-	-	-
Capital outlay	1,120	1,120	-
In-kind contributions	-	-	-
	<u>64,017</u>	<u>64,017</u>	<u>-</u>
State of Louisiana - Act 735			
Salaries	12,377	12,474	(97)
Fringe	2,711	2,515	196
Travel	778	1,647	(869)
Operating services	3,309	3,425	(116)
Operating supplies	1,336	1,404	(68)
Other cost	4,327	4,296	31
Capital outlay	-	-	-
In-kind contributions	-	-	-
	<u>24,838</u>	<u>25,761</u>	<u>(923)</u>
Totals	<u>\$ 340,530</u>	<u>\$ 341,670</u>	<u>\$ (1,140)</u>

**STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUNDS**

Jefferson Council on Aging, Inc.

For the year ended June 30, 1996

	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess (Deficit) Budgeted Over Actual Expenditures</u>
SHHP			
Salaries	\$ -	\$ -	\$ -
Fringe	-	-	-
Travel	-	-	-
Operating services	4,391	4,343	48
Operating supplies	444	438	6
Other cost	-	45	(45)
Capital outlay	-	-	-
In-kind contributions	-	-	-
	<u>4,835</u>	<u>4,826</u>	<u>9</u>
 Fund Raising			
Salaries	-	-	-
Fringe	-	-	-
Travel	-	-	-
Operating services	-	141	(141)
Operating supplies	-	-	-
Other cost	-	-	-
Capital outlay	-	-	-
In-kind contributions	-	-	-
	<u>-</u>	<u>141</u>	<u>(141)</u>
 Transportation			
Salaries	47,945	50,363	(2,418)
Fringe	6,463	6,532	(69)
Travel	41	313	(272)
Operating services	90,368	90,660	(292)
Operating supplies	16	13	3
Other cost	13,064	13,855	(791)
Capital outlay	-	-	-
In-kind contributions	-	-	-
	<u>157,897</u>	<u>161,736</u>	<u>(3,839)</u>

Recommendation - When budgets are amended and approval is received from granting agencies the budgets in the general ledger computer system should be updated.

Response - With regard to the JTPA budget, the Department of Labor required that JCOA maintain separate budget data for funding received during fiscal year 1996 which was disbursed from the 1994-1995 appropriation, and the 1995-1996 appropriation.

For fiscal year 1997, we are required to maintain three separate budgets for the current year appropriation and for each of the two previous years. Due to the complexity of determining what budget year should be each expenditure be reimbursed from, it was decided that the use of PC worksheet schedules provided more flexibility than did the general ledger system in the monitoring of the individual budgets.

With respect to the budgets submitted to the Governor's Office of Elderly Affairs, the revised budgets were submitted late in the fiscal year and were not approved in time to update the general ledger system before the end of the year.

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 be 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 policies and procedures used in administering federal financial assistance would not necessarily disclosed 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.

We also noted other matters involving the internal control structure and its operation that we have reported to the management to the Council, in a separate letter dated July 26, 1996.

This report is intended for the information of management and various federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Metairie, La.,
July 26, 1996.

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 Council expended 30% of its total federal financial assistance under a major federal financial assistance program - Title IIIB - Support Services and Area Agency Administration. The Council expended 70% of its total federal financial assistance under the following Nonmajor federal financial assistance programs:

- Title III-C1 Congregate Meals
- Title III-C2 Home-Deliver Meals
- Title III-D In Home Services
- Title III F Disease Prevention and Health Promotion
- Title V
- JTPA
- Cash in Lieu of Commodities (USDA)
- Commodities (USDA)
- Ombudsman

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 general requirements, specific requirements and requirements governing claims for advances and reimbursements that are applicable to the Council's major federal financial assistance program, which is 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 a 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 involved 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.

- **Condition** - During fiscal year 1996 the Council amended several budgets related to contracts with the Governor's Office of Elderly Affairs and other granting agencies. These revised revenues and expenditure budget amounts were not updated on the Council's general ledger computer package. Failure to update these amounts on the computer system could result in the Council exceeding or underutilizing certain expenditure categories allowed by granting agencies which the Council has contracted with.

**Schedule 6
(Continued)**

	Budgeted Expenditures	Actual Expenditures	Excess (Deficit) Budgeted Over Actual Expenditures
Helping Hands			
Salaries	-	-	-
Fringe	-	-	-
Travel	-	-	-
Operating services	-	-	-
Operating supplies	-	-	-
Utility assistance	58,047	58,047	-
In-kind contributions	-	-	-
	<u>58,047</u>	<u>58,047</u>	-
Heating Help			
Salaries	-	-	-
Fringe	-	-	-
Travel	-	-	-
Operating services	-	-	-
Operating supplies	-	-	-
Other cost	-	-	-
Utilities assistance	40,710	40,710	-
In-kind contributions	-	-	-
	<u>40,710</u>	<u>40,710</u>	-
Commodities			
Salaries	4,935	5,226	(291)
Fringe	1,132	1,093	39
Travel	54	58	(4)
Operating services	5,027	4,707	320
Operating supplies	218	236	(18)
Other cost	1,520	1,609	(89)
In-kind contributions	-	-	-
	<u>12,886</u>	<u>12,929</u>	(43)



Bourgeois Bennett

**INDEPENDENT AUDITOR'S SINGLE AUDIT REPORT ON THE
INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

To the Members of the Board of Directors,
Jefferson Council on Aging, Inc.

We have audited the general purpose financial statements of the Jefferson Council on Aging, Inc. (the Council), as of and for the year ended June 30, 1996, and have issued our report thereon dated July 26, 1996. We have also audited the Jefferson Council on Aging, Inc. compliance with requirements applicable to its major federal financial assistance program and have issued our report thereon dated July 26, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards; issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the Council complied with laws and regulations, noncompliance with which would be material to a 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 general purpose financial statements and on its compliance with requirements applicable to its major program, 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. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements of the Council in a separate report dated July 26, 1996.

3. Condition - It was noted during the year that one of the Community Committees was not storing its blank check stock in a secure location. Many persons had access to the blank checks of the Community Committee.

Recommendation - A memo should be sent to all Community Committee Treasures stating that blank check stock must be stored in a secured location at the Community Center or held by the Treasures off site.

Response - A memo will be sent to all Community Committee Treasures instructing them to comply with the above recommendation.

A material weakness is a reportable condition in which the design or operation of one or more of the specific 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 which are described above are material weaknesses.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of the Council in a separate letter dated July 26, 1996.

This report is intended for the information of management, and various federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

Metairie, La.,
July 26, 1996.

In planning and performing our audit of the general purpose financial statements of the Council 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 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 entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements of the Council.

1. **Condition** - For the year ended June 30, 1996 the Council failed to properly update its listing of fixed assets recorded in the general fixed asset account group. Failure to update this listing on a timely basis could allow for the omission of fixed assets from this listing.

Recommendation - The Finance Director of the Council should institute a policy where the fixed asset listing is updated on a quarterly basis for the activity included in the capital expenditures account.

Response - We agree. The listing of fixed assets recorded in the general fixed asset account group should be updated on a timely basis. The Treasurer of the Council will notify the Controller to initiate a procedure which will assure that the fixed asset listing is updated on a quarterly basis.

2. **Condition** - During the audit we noted four invoices which were not properly canceled as being paid as required by the accounting policy and procedures manual of the Council.

Recommendation - A review of paid invoices should be performed prior to filing to ascertain that they have been properly canceled as being paid to ensure compliance with the Council's policies and procedures.

Response - During fiscal year 1996, there was excessive turnover in accounting personnel. We feel that this finding is due to that fact and is not indicative of the norm; however, current accounting personnel are aware of the importance of the proper cancellation of paid invoices in order to avoid duplicate payment problems.



Bourgeois Bennett

**INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL
CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL
PURPOSE FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Members of the Board of Directors,
Jefferson Council on Aging, Inc.

We have audited the general purpose financial statements of the Jefferson Council on Aging, Inc. (the Council), as of and for the year ended June 30, 1996, and have issued our report thereon dated July 26, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provision of the Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements of the Council are free of material misstatement.

The management of the Council 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 general purpose 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 procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

EXIT CONFERENCE

Jefferson Council on Aging, Inc.

For the year ended June 30, 1996

On October 10, 1996, Warren Hogan and Tim Legendre from Bourgeois Bennett, L.L.C., Certified Public Accountants, met with Robert E. Pearson, Administrative Director, Frank Forte, Finance Director, Walker Milam, Board Chairperson, Dorothy Lastrapes, Treasurer and other members of the finance committee.

The current year's financial report was presented and various items contained within the report were discussed in detail. The management letter dated July 26, 1996 was also discussed.

The findings listed in the Findings and Questioned Costs (Schedule 9) and the reportable conditions (pages 41, 42 and 45) involving the internal control structure and its operations were discussed at length. The Council was asked to review these conditions. The Council's responses to the above conditions are included on pages 41, 42 and 46.

CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS

Jefferson Council on Aging, Inc.

For the year ended June 30, 1996

There were no findings or questioned cost for the year ended June 30, 1995.

FINDINGS AND QUESTIONED COSTS**Jefferson Council on Aging, Inc.**

For the year ended June 30, 1996

<u>Program</u>	<u>Findings</u>	<u>Questioned Costs</u>
Title III B Admin.	<p>1. Finding - We examined 25 participant files for the Title III-B program and noted one participant's needs assessment form had not been updated during the year.</p> <p>Cause - Unable to schedule appointment with participant.</p> <p>Effect - There is no financial statement effect. This is a compliance violation.</p> <p>Recommendation - All participants should be reassessed annually and this process documented in the files.</p> <p>Response - JCOA's policy specifies that participants be reassessed annually. This client was scheduled for reassessment in 1995 but we had difficulty in arranging an appointment. Since the initial finding by the auditing team the client is now deceased and her file is closed.</p>	\$ -0-
Title III C-1 and C-2	<p>2. Findings - We examined six participant files for the Title III C program and noted one participant's doctor certificate had not been updated since 1990.</p> <p>Cause - Council oversight.</p> <p>Effect - There is no financial statement effect. This is a compliance violation.</p> <p>Recommendation - All participants' doctor certificates should be updated annually.</p>	\$ -0-

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

Jefferson Council On Aging, Inc.

For the years ended June 30, 1996 and 1995

	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1996</u>
General Fixed Assets, at Cost or Estimated Value				
Furniture and equipment	\$ 216,385	\$ 12,226	\$ 3,099	\$ 225,512
Vans and auto	<u>179,451</u>	<u>-</u>	<u>21,111</u>	<u>158,340</u>
Total general fixed assets	<u>\$ 395,836</u>	<u>\$ 12,226</u>	<u>\$ 24,210</u>	<u>\$ 383,852</u>
Investment in General Fixed Assets				
Property acquired prior to 7/1/80 *	\$ 30,761	\$ -	\$ -	\$ 30,761
Property acquired after 7/1/80 from -				
General Fund	183,209	1,120	3,099	181,230
JTPA	-	5,254	-	5,254
Title III B-SS	3,457	-	-	3,457
Senior Center	3,201	790	-	3,991
Act 735	2,248	-	-	2,248
Title III-F	-	3,786	-	3,786
Title V	123	-	-	123
Local Funds	<u>172,837</u>	<u>1,276</u>	<u>21,111</u>	<u>153,002</u>
Total investment in general fixed assets	<u>\$ 395,836</u>	<u>\$ 12,226</u>	<u>\$ 24,210</u>	<u>\$ 383,852</u>

* Records reflecting source from which assets were acquired were not maintained prior to 7/1/80.

**Schedule 6
(Continued)**

	Budgeted Expenditures	Actual Expenditures	Excess (Deficit) Budgeted Over Actual Expenditures
Title III-F			
Salaries	-	-	-
Fringe	-	-	-
Travel	-	-	-
Operating services	-	9	(9)
Operating supplies	-	-	-
Other cost	15,579	392	15,187
Capital outlay	-	3,786	(3,786)
In-kind contributions	-	-	-
	<u>15,579</u>	<u>4,187</u>	<u>11,392</u>
Title V			
Salaries	193,254	200,889	(7,635)
Fringe	24,495	19,396	5,099
Travel	7,183	822	6,361
Operating services	18,646	12,542	6,104
Operating supplies	600	916	(316)
Other cost	13,167	9,102	4,065
In-kind contributions	-	-	-
	<u>257,345</u>	<u>243,667</u>	<u>13,678</u>
Totals	<u>\$ 2,563,546</u>	<u>\$ 2,553,454</u>	<u>\$ 10,092</u>

**Schedule 6
(Continued)**

	Budgeted Expenditures	Actual Expenditures	Excess (Deficit) Budgeted Over Actual Expenditures
Title III C-1			
Salaries	56,681	58,739	(2,058)
Fringe	8,788	8,532	256
Meals	137,500	136,691	809
Travel	778	775	3
Operating services	16,120	15,882	238
Operating supplies	2,157	2,049	108
Other cost	11,393	16,989	(5,596)
In-kind contributions	123,031	123,031	-
	<u>356,448</u>	<u>362,688</u>	<u>(6,240)</u>
Title III C-2			
Salaries	71,039	73,520	(2,481)
Fringe	10,590	10,307	283
Meals	331,337	340,525	(9,188)
Travel	34,126	36,236	(2,110)
Operating services	16,595	16,392	203
Operating supplies	2,262	2,226	36
Other cost	23,697	21,063	2,634
In-kind contributions	30,759	30,759	-
	<u>520,405</u>	<u>531,028</u>	<u>(10,623)</u>
Title III-D In-Home Services			
Salaries	-	-	-
Fringe	-	-	-
Travel	-	-	-
Operating services	-	-	-
Operating supplies	-	-	-
Other cost	12,080	12,384	(304)
In-kind contributions	-	-	-
	<u>12,080</u>	<u>12,384</u>	<u>(304)</u>

**Schedule 6
(Continued)**

	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess (Deficit) Budgeted Over Actual Expenditures</u>
Audit Fund			
Salaries	-	-	-
Fringe	-	-	-
Travel	-	-	-
Operating services	9,394	9,394	-
Operating supplies	-	-	-
Other cost	-	-	-
In-kind contributions	-	-	-
	<u>9,394</u>	<u>9,394</u>	<u>-</u>
Title III B - Area Agency Administration			
Salaries	37,912	40,005	(2,093)
Fringe	8,639	8,277	362
Travel	210	228	(18)
Operating services	16,165	15,567	598
Operating supplies	654	707	(53)
Other cost	11,668	12,264	(596)
In-kind contributions	-	-	-
	<u>75,248</u>	<u>77,048</u>	<u>(1,800)</u>
Title III B - Supportive Services			
Salaries	87,842	93,092	(5,250)
Fringe	17,352	17,248	104
Travel	3,686	3,959	(273)
Operating services	22,498	21,885	613
Operating supplies	2,759	2,845	(86)
Other cost	237,865	246,244	(8,379)
In-kind contributions	-	-	-
	<u>372,002</u>	<u>385,273</u>	<u>(13,271)</u>

Schedule 4

Cash-In-Lieu of Commodities	Audit Fund	Title III-B Admin.	Title III-B Supportive Services	Title III C-1	Title III C-2	Title III-D In-Home Services	Title III-F	Title V	Total
\$ 157,068	\$ 9,394	\$ 77,048	\$ 372,003	\$ 215,000	\$ 291,000	\$ 6,480	\$ 4,179	\$ 243,667	\$ 1,714,596
-	-	-	-	-	-	-	-	-	5,390
-	-	-	-	-	-	-	-	-	111
-	-	-	-	-	-	-	-	-	103,374
-	-	-	1,938	11,508	67,711	303	-	-	81,460
-	-	-	-	176	6,580	5,601	-	-	12,357
-	-	-	-	123,031	30,759	-	-	-	551,704
157,068	9,394	77,048	373,941	349,715	396,050	12,384	4,179	243,667	2,468,992
-	-	40,005	93,092	58,739	73,520	-	-	200,889	708,715
-	-	8,277	17,248	8,532	10,307	-	-	19,396	110,427
-	-	-	-	136,691	340,525	-	-	-	477,216
-	-	228	3,959	775	36,236	-	-	822	45,852
-	9,394	15,567	21,885	15,882	16,392	-	9	12,542	153,566
-	-	707	2,845	2,049	2,226	-	-	916	11,166
-	-	12,264	246,244	16,989	21,063	12,384	392	9,102	386,221
-	-	-	-	-	-	-	3,786	-	9,830
-	-	-	-	-	-	-	-	-	98,757
-	-	-	-	123,031	30,759	-	-	-	551,704
-	9,394	77,048	385,273	362,688	531,028	12,384	4,187	243,667	2,553,454
157,068	-	-	(11,332)	(12,973)	(134,978)	-	(8)	-	(84,462)
-	-	-	11,332	12,973	134,978	-	8	-	246,258
(147,951)	-	-	-	-	-	-	-	-	(147,951)
9,117	-	-	-	-	-	-	-	-	13,845
-	-	-	-	-	-	-	-	-	-
\$ 9,117	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,845

<u>Program</u>	<u>Findings</u>	<u>Questioned Costs</u>
----------------	-----------------	-----------------------------

Response - Regulations require that doctor certificates be updated every 3 years. It is the responsibility of the participant to notify JCOA annually of a diet requirement change. An updated doctor's certificate for the participant in question was placed in her case file before the audit team completed its on-premises review.

Title V

3. **Finding** - Payroll expenditures allocation percentages approved by the Governors Office of Elderly Affairs were incorrectly applied for two employees causing \$425 less begin charged to the program for the year ended June 30, 1996 than if the correct percentages had been applied.

\$-0-

Cause - Incorrect allocation percentages were entered into the computer system which calculates allocation of payroll expenditures.

Effect - Payroll expenditures were incorrectly charged to Title V program resulting in \$425 less being charged to the Program.

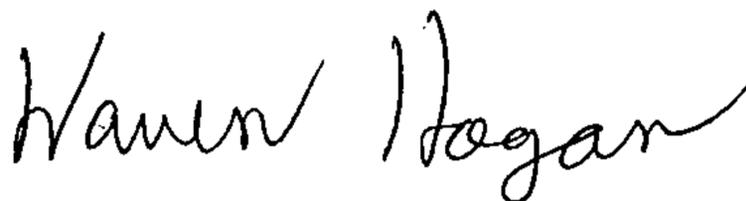
Recommendation - When allocations are revised and approved the accounting department should review allocation percentages entered in the computer system to determine that programs are being properly charged.

Response - Due to changes outlined in revised Circular A-87, JCOA no longer uses pre-determined payroll allocation percentages. All employees now charge directly to the program(s) in wich they worked, as documented by their signed and approved bi-weekly time sheets.

To the Members of the Board of Directors
Jefferson Council on Aging, Inc.
July 28, 1996
Page 3

We appreciate the cooperation and assistance given to us during our audit. We will be pleased to answer any questions you may have.

Sincerely,

A handwritten signature in cursive script that reads "Warren Hogan". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

For the Firm.

WRH/df

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COMBINING BALANCE SHEET - GENERAL FUNDS

Jefferson Council on Aging, Inc.

June 30, 1996

	SHIIP	Fund Raising	Transpor- tation	Local	Community Committees	Act 735	Total
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 648,572	\$ 54,198	\$ -	\$ 702,770
Investments	-	-	-	50,000	166,799	-	216,799
Contracts receivable	-	-	-	45,815	-	-	45,815
Accounts receivable	-	-	-	4,875	-	-	4,875
Leasehold improvements (net of amortization of \$5,406)	-	-	-	2,922	-	-	2,922
Prepaid insurance	-	-	-	1,369	-	-	1,369
Total assets	\$ -	\$ -	\$ -	\$ 753,553	\$ 220,997	\$ -	\$ 974,550
Liabilities and Fund Equity							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ 81,528	\$ -	\$ -	\$ 81,528
Accrued salaries	-	-	-	35,174	-	-	35,174
Accrued leave	-	-	-	11,178	-	-	11,178
Payroll taxes payable	-	-	-	1,506	-	-	1,506
Total liabilities	-	-	-	129,386	-	-	129,386
Fund Equity							
Fund balances							
Reserved	-	-	-	64,473	-	-	64,473
Unreserved:							
Designated	-	-	-	-	220,997	-	220,997
Undesignated	-	-	-	559,694	-	-	559,694
Total fund equity	-	-	-	624,167	220,997	-	845,164
Total liabilities and fund equity	\$ -	\$ -	\$ -	\$ 753,553	\$ 220,997	\$ -	\$ 974,550

Note 15 - FEDERALLY ASSISTED PROGRAMS

The Council participates in a number of federally assisted programs. These programs are audited in accordance with the Single Audit Act of 1984. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, the Council's Management believes that further examinations would not result in any significant disallowed costs.

In accordance with the Single Audit Act of 1984 and the Office of Management and Budget Circular A-128, a schedule of federal financial assistance is presented.

Note 16 - ECONOMIC DEPENDENCY

The Council receives the majority of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state levels 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 12 - OPERATING LEASES

The Jefferson Council on Aging, Inc. leases its office space from the Jefferson Parish Council under a five year lease with an option to renew for an additional five years. The monthly rent of \$5,153 is fixed for the five years of the lease and for the option period. The total rent expense paid under this lease for the year ended June 30, 1996 was \$61,830. The following is the future minimum lease payments for the remainder of this lease:

<u>June 30,</u>	
1997	\$ 61,830
1998	<u>41,220</u>
Total	<u>\$103,050</u>

Note 13 - 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.

Note 14 - JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

There is no litigation pending against the Council at June 30, 1996.

The Council receives revenues from various federal and state grant programs which are subject to final review and approval as to allow ability of expenditures by the respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the agency and the Council. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the Council's financial position.

Note 10 - IN-KIND CONTRIBUTIONS

The Jefferson Council on Aging, Inc. received in-kind contributions during the year in the nature of contributed facilities. Contributed facilities were recorded at the estimated rental value of the facilities and presented in this report as revenue. Related expenses, equal to the in-kind revenues, have also been presented, thereby producing no effect on net income. Estimated rental value for the years ended June 30, 1996 and 1995 totaled \$551,704 and \$470,759, respectively.

In-kind contributions were not included in the program budgets for the year ended June 30, 1996. Because the amounts do not represent actual cash transactions, the comparison of budget to actual figures presented in Exhibit E are presented in such a way that the in-kind contributions do not affect the variances.

Note 11 - INTERFUND TRANSFERS

Operating transfers in and out are listed by fund for the year ended June 30, 1996:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
SHIIP	Local	\$ 4,826
Local	Fundraising	4,297
Transportation	Local	96,305
Local	Act 735	33,132
JTPA	Local	8,666
Ombudsman	Local	3,523
Senior Center	Local	67,239
Commodities	Local	7,539
Title III - B Supporting Services	Local	11,332
Title III - F	Local	8
Title III C - 1	Cash-in-lieu of commodities	12,973
Title III C - 2	Cash-in-lieu of commodities	<u>134,978</u>
	Total	<u>\$384,818</u>

Note 5 - LEASEHOLD IMPROVEMENTS

Improvements made to the offices of the Jefferson Council on Aging, Inc. are being amortized on the straight-line method over the life of the lease (five years), and are included in operating services. For the year ended June 30, 1996, amortization expense totaled \$1,753. The original cost of the improvements totaled \$8,328.

Note 6 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 1996</u>
Furniture and equipment	\$216,385	\$12,226	\$ 3,099	\$225,512
Vans and auto	<u>179,451</u>	<u>-</u>	<u>21,111</u>	<u>158,340</u>
Totals	<u>\$395,836</u>	<u>\$12,226</u>	<u>\$24,210</u>	<u>\$383,852</u>

Note 7 - ADVANCES FROM AND REFUNDS DUE FUNDING AGENCIES

This account represents funds received which have not yet been distributed for the purposes designated. The gross revenues for the funds have been presented net of these advances. This account at June 30, 1996 consisted of \$11,432 relating to Title III-F.

Note 8 - FUND BALANCE RESERVED - ENDOWMENT

This represents funds that are subject to restrictions of the donor and/or board of directors requiring in perpetuity that the principal be invested and the income only be used.

Note 9 - COMMUNITY COMMITTEES ON AGING

The nine Community Committees on Aging within Jefferson Parish are chartered under the authority of the Jefferson Council on Aging, Inc. Primarily because of this, they are considered to be included in the reporting entity of Jefferson Council on Aging, Inc. Fund balances for these committees totaled \$220,997 and \$216,320 at June 30, 1996 and 1995, respectively. There is no General Fixed Asset Account Group presented for the Community Committees on Aging because it is not material.

Note 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

State statutes authorize the Council to invest in United States bonds, treasury notes, or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and National banks having their principal office in the State of Louisiana. The Council's primary purpose for investing is to earn interest income on money that has been determined to be in excess of immediate cash requirements.

The Council is a quasi-governmental entity which is not required to comply with Louisiana laws relating to collateralization of cash and investments. The Council, however, has obtained collateralization for cash at financial institutions which is in excess of the FDIC insurance.

At June 30, 1996 the carrying amount of the Council's cash and cash equivalents were \$728,047 and the bank balances were \$750,078. All bank balances were covered by federal depository insurance or by collateral held by the Council's agent in the Council's name.

Cash and cash equivalents consist of the following:

Cash	\$ 525
Interest bearing checking accounts	103,091
Saving accounts	10,755
Money market accounts	<u>613,676</u>
Total	<u>\$728,047</u>

Investments consist of certificates of deposit and were adequately secured at June 30, 1996.

Note 4 - CONTRACTS RECEIVABLE

Contracts receivable at June 30, 1996 consisted of reimbursements for expenses incurred under the following programs:

JTPA	\$10,619
Cash-in-Lieu of Commodities	33,897
Title III-B Administration	<u>1,299</u>
Total	<u>\$45,815</u>

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Related Party Transactions

There were no related party transactions during the fiscal year.

M. Annual and Sick Leave

For governmental fund types, all of the Council's liability for accumulated unpaid vacation has been recorded in the general fund because the Council expects to liquidate the liability with expendable available resources. The Council's sick leave policy does not provide for the vesting of sick leave.

N. Budget Policy

Budgets for the various programs are prepared by the Council's Administrative Director and approved by the Council's Board of Directors and the grantor of the funds for each respective program. 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.

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.

Budgets for the general funds are prepared by the Finance Director and are approved by the Council's Board of Directors.

Community Committee revenues and expenditures are not budgeted. In the general purpose financial statements, the budget for this program was set equal to actual as to not distort variances.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Funding Policies

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

The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1, and C-2 programs. Jefferson Parish Council and other local governments also provided funds to the Council. JTPA funds were provided to reimburse the Council for payroll expenses incurred by employers participating in this program. Utility assistance funds are also provided by the Louisiana Association of Councils on Aging to the Council under the Helping Hands and Heating Help programs.

J. Total Columns of Combined Statements - Overview

Total columns of 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.

K. Comparative Data

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

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Combination

The combined financial statements include the accounts of the Jefferson Council on Aging, Inc. and the nine Community Committees on Aging within Jefferson Parish. See Note 9.

E. 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 could differ from those estimates.

F. Investments

Investments are stated at cost.

G. Property and Equipment

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. The basis of valuation for assets acquired prior to July 1, 1980 consist of \$19,411 at cost and \$11,350 at an estimated value. Assets acquired after June 30, 1980 are maintained on a basis of original cost except for donated assets in the amount of \$500, which are recorded at estimated market value. No depreciation is computed or recorded thereon.

H. 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. The Council has not eliminated "due from" and "due to" balances on its June 30, 1996 financial statements, if applicable.

Note 2 - **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

A. Fund Accounting (Continued)

Title III-F Fund - The Title III-F Fund is used to account for the Funds which are used to provide disease prevention and health promotion services to the elderly of Jefferson Parish.

Title V - This fund is used to account for the payment and reimbursement of expenses incurred in the operation of the Title V program. Included in these expenses are salaries paid for program participants whose salaries are being supplemented by funds provided through this program.

B. Account Groups

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

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

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

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

Note 2 - **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

A. Fund Accounting (Continued)

Ombudsman - Ombudsman Funds are provided by the United States Department of Health and Human Services to the Louisiana Governor's Office of Elderly Affairs which "passes through" the Funds to the Council. This program provides advocacy services for nursing home residents.

Senior Center Fund - Senior Center Funds are appropriated by the Louisiana Legislator to the Governor's Office of Elderly Affairs, which "passes through" the Funds to the Council. This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community.

Utility Assistance Fund (Helping Hands and Heating Help) - The Utility Assistance Fund is used to account for the administration of programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the Louisiana Association of Councils on Aging (LACOA) which in turn remits funds relating to Jefferson Parish to the Council so that it can provide assistance to the elderly and handicapped for the payment of their utility bills.

U.S.D.A. Fund (Cash-in-Lieu of Commodities) - The U.S.D.A. Fund is used to account for the administration of the Food Distribution Program funds provided by the United States Department of Agriculture to the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This program reimburses the service provider on a per unit basis for each congregate and home-delivered meal served to an eligible participant so that United States food and commodities may be purchased to supplement these programs.

Audit Fund - The Audit Fund is used to account for funds received from the Governor's Office of Elderly Affairs that are restricted to use as a supplement to pay for the cost of having an annual audit of the Council's financial statements.

The results of our audit procedures did not disclosed any immaterial instance of noncompliance with the requirements identified in the previous paragraph.

In our opinion, the Council complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; reporting; claims for advances and reimbursements; and other specific requirements contained in the OMB Compliance Supplement for Single Audits of State and Local Governments that are applicable to its major federal financial assistance program for the year ended June 30, 1996.

This report is intended for the information of management, and various federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Metairie, La.,
July 26, 1996.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
COMMUNITY COMMITTEES ON AGING**

Jefferson Council on Aging, Inc.

For the year ended June 30, 1996

	Marrero	Gretna	Kenner	Grand Isle	Westwego	Metairie	Lafitte	7th Ward	Harahan	Total
Revenues										
Interest income	\$ 606	\$ 145	\$ 32	\$ 18	\$ 3,803	\$ 1,963	\$	\$ 444	\$ 946	\$ 7,957
Public support										
Client contributions	273	1,758	709	505	50	740		4,395	15,187	23,617
Miscellaneous										
Other	7,277	2,799	5,695	1,996	4,284	5,093		798	9,178	37,120
Total revenues	8,156	4,702	6,436	2,519	8,137	7,796	-	5,637	25,311	68,694
Expenditures										
Current:										
Operating services	3,147	383	61	656	793	1,033		3,155	22,668	31,896
Operating supplies	5,107	3,897	7,046	2,199	2,557	3,066	170	2,436	4,523	31,001
Capital outlay					1,120					1,120
Total expenditures	8,254	4,280	7,107	2,855	4,470	4,099	170	5,591	27,191	64,017
Excess (Deficiency) of Revenues Over Expenditures	(98)	422	(671)	(336)	3,667	3,697	(170)	46	(1,880)	4,677
Fund Balance										
Beginning of year	27,015	6,472	5,698	2,176	76,402	36,899	857	23,709	37,092	216,320
End of year	\$ 26,917	\$ 6,894	\$ 5,027	\$ 1,840	\$ 80,069	\$ 40,596	\$ 687	\$ 23,755	\$ 35,212	\$ 220,997

NOTES TO FINANCIAL STATEMENTS

Jefferson Council On Aging, Inc.

June 30, 1996

Note 1 - BACKGROUND OF ORGANIZATION

The Jefferson Council On Aging, Inc. is a quasi-public, nonprofit organization incorporated in the State of Louisiana on September 10, 1971.

The objects and purposes of the Council are:

- 1) To understand and to help solve the problems of the elderly people, age sixty or over, in Jefferson Parish.
- 2) To develop and implement plans for:
 - a) Counseling the elderly about the problems of aging.
 - b) Educating the elderly so that they can earn income.
 - c) Improvement of health, social, religious and recreation of elderly people.
 - d) Creating local voluntary committees to attain the goals of the organization.
 - e) Collecting facts and statistics and making special studies of recreation, social adjustment and other conditions affecting the welfare of the aged.
- 3) To operate for charitable and educational purposes.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Fund Accounting (Continued)

Title III-B Administration Fund - The Title III-B Administration Fund is used to account for the administration of Special Programs for the Aging. Title III-B administration funds are provided by the United States Department of Health and Human Services to the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. These funds are used to pay for administrative costs associated with the Title III and Senior Center programs.

Title III-B Supportive Services Fund - Title III-B funds are provided by the United States Department of Health and Human Services to the Louisiana Governor's Office of Elderly Affairs which "passes through" the funds to the Council. This program provides access services, in-home services, community services, legal assistance, and transportation for the elderly.

Title III C-1 Congregate Meals Fund - Title III C-I Funds are provided by the United States Department of Health and Human Services to the Louisiana Governor's Office of Elderly Affairs, which "passes through" the Funds to the Council. These Funds are used to provide nutritional congregate meals to the elderly in strategically located centers.

Title III C-2 Home Delivered Meals Fund - Title III C-2 funds are provided by the United States Department of Health and Human Services to the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. These funds are used to provide nutritional meals to home-bound older persons.

Title III-D Fund - The III-D Fund is used to account for funds which are used to provide in-home services to frail older individuals, including in-home supportive services for older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, and to the families of such victims. Title III-D Funds are provided by the United States Department of Health and Human Services to the Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

To the Members of the Board of Directors
Jefferson Council on Aging, Inc.
July 28, 1996
Page 2

3. Management Judgments and Accounting Estimates

Accounting estimates based on management's judgment are an integral part of financial statements. The most significant estimate in the Council's financial statements related to the collection of contracts receivable. We concluded that this estimate is reasonable.

4. Significant Audit Adjustments

There were four audit adjustments made for the year ended June 30, 1996. All were considered to be accounting adjustments and reclassification entries.

5. Other Matters

The management and staff were very cooperative during our audit; they responded to our questions and assisted us as requested. We had no disagreements with them concerning the scope of our audit, the accounting treatment of any of the Council's transactions, or disclosures required in the general purpose financial statements. Nothing came to our attention indicating that management had consulted with any other accountants about auditing or accounting matters.

Recommendations

Community Committees

During the year several Community Committees changed Treasurers. In one instance the previous Treasurer did not transfer supporting documentation for transactions to his successor. Although the records were located and transferred to the current Treasurer during the audit the Council should communicate to all Treasurers the procedures to be followed during these type transitions and the record retention policies of the Council.

This report is intended solely for the information and use of the Board of Directors of the Jefferson Council on Aging, Inc., the Council's management, and others within the organization and should not be used for any other purpose.



Bourgeois Bennett

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July 28, 1996

To the Members of the Board of Directors
Jefferson Council on Aging, Inc.

In fulfilling our responsibility as auditors for the Jefferson Council on Aging, Inc. (the Council) for the year ended June 30, 1996, we are required to communicate to the oversight body certain matters related to the conduct of our audit.

For the council, this oversight body is the Board of Directors. We offer the following information to you.

1. Auditor's responsibility under generally accepted auditing standards and government auditing standards

Our audit was conducted in accordance with generally accepted auditing standards and "Government Auditing Standards" issued by the Comptroller General of the United States which require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements.

As required, separate letters have been issued on the internal control structure and compliance with laws and regulations.

We have complied with the requirements of the Single Audit Act and OMB Circular A-128.

2. Significant Accounting Policies

Significant accounting policies are described in Note 2 to the general purpose financial statements. No new accounting policies were adopted nor required to be adopted for the year ended June 30, 1996.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND
ACTUAL - SPECIAL REVENUE FUND TYPE**

Jefferson Council On Aging, Inc.

For the year ended June 30, 1996

	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 1,759,901	\$ 1,719,986	\$ (39,915)
Interest income	111	111	-
Public support	181,546	184,834	3,288
Miscellaneous	9,760	12,357	2,597
In-kind contributions	551,704	551,704	-
	<u>2,503,022</u>	<u>2,468,992</u>	<u>(34,030)</u>
Total revenues			
Expenditures			
Current:			
Salaries	687,322	708,715	(21,393)
Fringe	118,667	110,427	8,240
Meals	468,837	477,216	(8,379)
Travel	50,906	45,852	5,054
Operating services	171,722	153,566	18,156
Operating supplies	10,567	11,166	(599)
Other cost	405,064	386,221	18,843
Capital outlay	-	9,830	(9,830)
Utility assistance	98,757	98,757	-
In-kind contributions	551,704	551,704	-
	<u>2,563,546</u>	<u>2,553,454</u>	<u>10,092</u>
Total expenditures			
Deficiency of Revenues Over Expenditures	(60,524)	(84,462)	(23,938)
Other Financing Sources			
Transfers for cost absorbed by JCOA operating transfers in	65,252	98,307	33,055
Excess of Revenue and Other Sources Over Expenditures	<u>\$ 4,728</u>	13,845	<u>\$ 9,117</u>
Fund Balances			
Beginning of year		-	
End of year		<u>\$ 13,845</u>	

The accompanying notes are an integral part of this statement.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS)
AND ACTUAL - GENERAL FUND TYPE**

Jefferson Council On Aging, Inc.

For the year ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$ 318,470	\$ 318,470	\$ -
Interest income	17,957	21,574	3,617
Public support	27,089	25,383	(1,706)
Miscellaneous	104,502	112,206	7,704
	<u>468,018</u>	<u>477,633</u>	<u>9,615</u>
Total revenues			
Expenditures			
Current:			
Salaries	108,634	110,057	(1,423)
Fringe	19,748	18,587	1,161
Travel	1,348	2,309	(961)
Operating services	140,338	140,179	159
Operating supplies	33,259	33,313	(54)
Other cost	34,817	34,829	(12)
Capital outlay	2,386	2,396	(10)
	<u>340,530</u>	<u>341,670</u>	<u>(1,140)</u>
Total expenditures			
Excess of Revenues Over Expenditures	127,488	135,963	8,475
Other Financing Uses			
Net transfers for cost absorbed by JCOA operating transfers out	<u>(65,252)</u>	<u>(98,307)</u>	<u>(33,055)</u>
Excess of Revenues Over Expenditures and Other Uses	<u>\$ 62,236</u>	37,656	<u>\$ (24,580)</u>
Fund Balances			
Beginning of year		<u>807,508</u>	
End of year		<u>\$ 845,164</u>	

The accompanying notes are an integral part of this statement.

COMBINED STATEMENT OF CHANGES IN FUND BALANCES

Jefferson Council On Aging, Inc.

For the year ended June 30, 1996

	General Fund				Special Revenue Funds Reserved	Total All Funds
	Reserved	Unreserved		Total		
	Noncurrent Assets	Endowment	Total Reserved	Designated - Community Committees	Undesignated	
July 1, 1995	\$ 26,866	\$ 55,744	\$ 82,610	\$ 216,320	\$ 508,578	\$ 807,508
Excess of revenues and other sources over expenditures and other uses	-	-	-	4,677	32,979	37,656
Increase (decrease) of reserves for nonmonetary assets	(22,575)	-	(22,575)	-	22,575	-
Increase (decrease) of reserves for endowment	-	4,438	4,438	-	(4,438)	-
June 30, 1996	\$ 4,291	\$ 60,182	\$ 64,473	\$ 220,997	\$ 559,694	\$ 845,164
						\$ 13,845
						\$ 807,508
						\$ 859,009

The accompanying notes are an integral part of this statement.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES**

Jefferson Council on Aging, Inc.

For the year ended June 30, 1996
With comparative totals for the year ended June 30, 1995

	General	Special Revenue	Totals (Memorandum Only)	
			1996	1995
Revenues				
Intergovernmental	\$ 318,470	\$ 1,719,986	\$ 2,038,456	\$ 1,961,888
Interest income	21,574	111	21,685	19,064
Public support	25,383	184,834	210,217	214,426
Miscellaneous	112,206	12,357	124,563	120,023
In-kind contributions	-	551,704	551,704	470,759
Total revenues	<u>477,633</u>	<u>2,468,992</u>	<u>2,946,625</u>	<u>2,786,160</u>
Expenditures				
Current:				
Salaries	110,057	708,715	818,772	729,013
Fringe	18,587	110,427	129,014	122,671
Meals	-	477,216	477,216	436,640
Travel	2,309	45,852	48,161	37,280
Operating services	140,179	153,566	293,745	298,500
Operating supplies	33,313	11,166	44,479	41,300
Other costs	34,829	386,221	421,050	406,425
Capital outlay	2,396	9,830	12,226	33,577
Utility assistance	-	98,757	98,757	108,862
In-kind contributions	-	551,704	551,704	470,759
Total expenditures	<u>341,670</u>	<u>2,553,454</u>	<u>2,895,124</u>	<u>2,685,027</u>
Excess (Deficiency) of Revenues Over Expenditures	135,963	(84,462)	51,501	101,133
Other Financing Sources (Uses)				
Transfers for cost absorbed by JCOA:				
Operating transfers in	138,560	246,258	384,818	306,780
Operating transfers out	(236,867)	(147,951)	(384,818)	(306,780)
Excess of Revenues and Other Sources Over Expenditures and Other Uses	37,656	13,845	51,501	101,133
Fund Balances				
Beginning of year	807,508	-	807,508	706,375
End of year	<u>\$ 845,164</u>	<u>\$ 13,845</u>	<u>\$ 859,009</u>	<u>\$ 807,508</u>

The accompanying notes are an integral part of this statement.

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP

Jefferson Council on Aging, Inc.

June 30, 1996

With comparative totals at June 30, 1995

	Governmental Fund Types		Account Group	Totals (Memorandum Only)	
	General	Special Revenue	General Fixed Assets	1996	1995
Assets					
Cash and cash equivalents	\$ 702,770	\$ 25,277	\$ -	\$ 728,047	\$ 783,746
Investments	216,799	-	-	216,799	163,935
Contracts receivable	45,815	-	-	45,815	50,251
Accounts receivable	4,875	-	-	4,875	6,084
Fixed assets	-	-	383,852	383,852	395,836
Leasehold improvements (net of amortization of \$5,406)	2,922	-	-	2,922	4,676
Prepaid insurance	1,369	-	-	1,369	22,190
Total assets	\$ 974,550	\$ 25,277	\$ 383,852	\$ 1,383,679	\$ 1,426,718
Liabilities and Fund Equity					
Liabilities					
Accounts payable	\$ 81,528	\$ -	\$ -	\$ 81,528	\$ 84,134
Accrued salaries	35,174	-	-	35,174	35,932
Accrued annual leave	11,178	-	-	11,178	15,117
Payroll taxes payable	1,506	-	-	1,506	4,194
Advances from and refunds due funding sources	-	11,432	-	11,432	83,997
Total liabilities	129,386	11,432	-	140,818	223,374
Fund Equity					
Investment in general fixed assets	-	-	383,852	383,852	395,836
Fund balances:					
Reserved	64,473	13,845	-	78,318	82,610
Unreserved:					
Designated - Community Committees on Aging	220,997	-	-	220,997	216,320
Undesignated	559,694	-	-	559,694	508,578
Total fund balances	845,164	13,845	-	859,009	807,508
Total fund equity	845,164	13,845	383,852	1,242,861	1,203,344
Total liabilities and fund equity	\$ 974,550	\$ 25,277	\$ 383,852	\$ 1,383,679	\$ 1,426,718

The accompanying notes are an integral part of this statement.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying combining and individual fund and account group financial statements, schedules and other information 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 Jefferson 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.

In accordance with Government Auditing Standards, we have also issued a report dated July 26, 1996 on our consideration of Jefferson Council on Aging's internal control structure and a report dated July 26, 1996 on its compliance with laws and regulations.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Metairie, La.,
July 26, 1996.



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

The Members of the Board of Directors,
Jefferson Council on Aging, Inc.

We have audited the accompanying general purpose financial statements of the Jefferson Council on Aging, Inc. (the Council) as of and for the year ended June 30, 1996 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 Comptroller General of the United States; and the provisions of the Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall 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 Jefferson 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.

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June 30, 1996

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June 30, 1996

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June 30, 1996

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Financial Report

Jefferson Council on Aging, Inc.

Metairie, Louisiana

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 DEC 18 1996

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The financial statements of the Jefferson Council On Aging, Inc. have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. These statements have also incorporated any applicable requirements set forth by Audits of State and Local Governmental Units and the industry audit guide issued by the American Institute of Certified Public Accountants. The more significant of the Council's accounting policies are described below.

A. Fund Accounting

The Council uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds of the Council are classified as governmental funds. Governmental funds account for the Council's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition of general fixed assets, and the servicing of general long-term debt. The governmental funds and the programs comprising them as presented in the financial statements are described as follows:

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

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

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Fund Accounting (Continued)

The following programs comprise the Council's General Fund:

SHIIP - (Senior Health Insurance Information Program) - This fund is used to account for the expenditures associated with the Council's sponsorship of the SHIIP.

Fund Raising - This fund is used to account for the fund raising efforts of the Council.

Transportation - These are funds used to operate the transportation program which provides nutrition and social rides to program participants. The deficits incurred in this program are absorbed by the Council's discretionary funds.

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

Community Committees - Community Committee funds are the funds of the nine Community Committees on Aging as described in Note 8. These funds are general funds designated for the Community Committees on Aging. These funds were generated by the Community Committees on Aging.

PCOA (Act 735) - PCOA (Act 735) funds are appropriated to the Governor's Office of Elderly Affairs by the Louisiana Legislature for remittance to the Jefferson Council on Aging, Inc. The Council may use these "Act 735" funds at its discretion.

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

JTPA Fund - This Fund is used to account for the payment and reimbursement of expenses incurred in the operation of the Job Training Partnership Act. Included in these expenses are reimbursements of salaries paid by employers for program participants whose salaries are being supplemented by funds provided through this act.

This report is intended for the information of management, and various federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Metairie, La.,
July 26, 1996.



Bourgeois Bennett

**INDEPENDENT AUDITOR'S SINGLE AUDIT REPORT ON
COMPLIANCE WITH THE GENERAL REQUIREMENTS
APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

To the Members of the Board of Directors,
Jefferson Council on Aging, Inc.

We have audited the general purpose financial statements of the Jefferson Council on Aging, Inc. (the Council), as of and for the year ended June 30, 1996 and have issued our report thereon dated July 26, 1996.

We have applied procedures to test the Council'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
- Cash Management
- Federal Financial Reports
- Allowable Cost / 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 Council's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.



Bourgeois Bennett

**INDEPENDENT AUDITOR'S SINGLE AUDIT OPINION ON
COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE
TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

To the Members of the Board of Directors,
Jefferson Council on Aging, Inc.

We have audited the general purpose financial statements of the Jefferson Council on Aging, Inc. (the Council), as of and for the year ended June 30, 1996, and have issued our report thereon dated July 26, 1996.

We have also audited the Council's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; claims for advances and reimbursements; amounts claimed or used for matching; and other specific requirements contained in the OMB Compliance Supplement for Single Audits of State and Local Governments that are applicable to its major federal financial assistance program, which is identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1996. The management of the Council is responsible for the Council's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.



Bourgeois Bennett

**INDEPENDENT AUDITOR'S SINGLE AUDIT REPORT ON
COMPLIANCE WITH SPECIFIC REQUIREMENTS
APPLICABLE TO NONMAJOR FEDERAL FINANCIAL
ASSISTANCE PROGRAM TRANSACTIONS**

To the Members of the Board of Directors,
Jefferson Council on Aging, Inc.

We have audited the general purpose financial statements of the Jefferson Council on Aging, Inc. (the Council) as of and for the year ended June 30, 1996, and have issued our report thereon dated July 26, 1996.

In connection with our audit of the financial statements of the Council and with our consideration of the Council's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments, we selected certain transactions applicable to certain nonmajor 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 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 Council'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 material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Council had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclosed any immaterial instances of noncompliance with those requirements.

This report is intended for the information of management and various federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Metairie, La.,
July 26, 1996.



Bourgeois Bennett

**INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

To the Members of the Board of Directors,
Jefferson Council on Aging, Inc.

We have audited the general purpose financial statements of the Jefferson Council on Aging, Inc. (the Council), for the year ended June 30, 1996, and have issued our report thereon dated July 26, 1996. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular (OMB) A-128 Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements 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 Council taken as a whole. The accompanying Schedule of Federal Financial Assistance for the Jefferson Council on Aging, Inc. 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Metairie, La.,
July 26, 1996.

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1340 West Tunnel Blvd., Suite 430
P.O. Box 2168
Houma, LA 70361-2168
Phone (504) 868-0139
Fax (504) 879-1949

Certified Public
Accountants & Consultants
A Limited Liability Company

P.O. Box 60600
New Orleans, LA 70160-0600
Heritage Plaza, Suite 800
Phone (504) 831-4949
Fax (504) 833-9093

504 West Second Street
P.O. Box 1205
Thibodaux, LA 70302-1205
Phone (504) 447-5243

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Jefferson Council On Aging, Inc.

For the year ended June 30, 1996

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through, Grantors' Number	Program or Award Amount	Revenue Recognized	Expend- itures
Department of Labor:					
Passed Through the Louisiana Department of Labor JTPA	17.250	149629-0	\$ 116,085	\$ 47,797	\$ 47,797
Passed through the Louisiana Governor's Office of Elderly Affairs: Title V	17.235	133-6090	229,586	229,586	229,586
Total Dept. of Labor			<u>345,671</u>	<u>277,383</u>	<u>277,383</u>
Department of Agriculture					
Direct Programs:					
USDA (Commodities)	10.550	N/A	5,390	5,390	5,390
Passed through the Louisiana Governor's Office of Elderly Affairs:					
USDA (cash-in-Lieu)	10.550	133-5061	32,201	32,201	32,201
USDA (cash-in-Lieu)	10.550	133-6094	130,882	124,867	124,867
Total Dept. of Agriculture			<u>168,473</u>	<u>162,458</u>	<u>162,458</u>
Department of Health and Human Services:					
Passed through the Louisiana Governor's Office of Elderly Affairs:					
Title III B - Support Services	93.044	133-6028	247,719	247,719	247,719 *
Title III B - Area Agency Admin. Ombudsman	93.044	133-6028	57,786	57,786	57,786 *
Title III C-1 - Congregate Meals	93.042	133-6028	29,848	29,848	29,848
Title III C-2 - Home Delivered Meals	93.045	133-6028	145,855	145,855	145,855
Title III D - In Home Services	93.045	133-6028	93,886	93,886	93,886
Title III D - In Home Services	93.046	133-6028	5,508	5,508	5,508
Title III F - Disease Prevention and Health Promotion	93.043	133-6028	12,069	3,237	3,237
Total Dept. of Health and Human Services			<u>592,671</u>	<u>583,839</u>	<u>583,839</u>
Totals			<u>\$ 1,106,815</u>	<u>\$ 1,023,680</u>	<u>\$ 1,023,680</u>

* Major Program

The \$1,719,986 of intergovernmental revenue for Special Revenue Funds on page 4 consist of \$1,023,680 of federal funds and \$696,306 of state funds.

NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Jefferson Council on Aging, Inc.

June 30, 1996

Note 1 - SCOPE OF AUDIT PURSUANT TO OMB CIRCULAR A-128, SINGLE AUDIT ACT OF 1984

All Federal grant awards of the Jefferson Council on Aging, Inc. are included in the scope of the OMB Circular A-128, Single Audit Act of 1984. The United States Department of Health and Human Services is the cognizant federal audit agency and the Louisiana Governor's Office of Elderly Affairs is the state cognizant audit agency for the single audit.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Financial Assistance has been prepared on the accrual basis of accounting.

Note 3 - FINDINGS OF NONCOMPLIANCE

The findings of noncompliance are disclosed in Schedule 9. The potential reimbursement effects of the findings are not ascertainable.



Bourgeois Bennett

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Members of the Board of Directors,
Jefferson Council on Aging, Inc.

We have audited the general purpose financial statements of the Jefferson Council on Aging, Inc. (the Council), as of and for the year ended June 30, 1996, and have issued our report thereon dated July 26, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provision of the Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements of the Council are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Council, is the responsibility of the Council's management. As part of obtaining reasonable assurance about whether the general purpose financial statements of the Council 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 of our audit of the general purpose financial statements 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.