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**GENERAL PURPOSE FINANCIAL STATEMENTS  
(CONDENSED STATEMENTS - OVERVIEW)**

WHEELBURN COUNCIL ON AGING, INC.

Combined Balance Sheet - All Fund Types and Account Groups  
June 30, 1994

|   | Environmental<br>Fund Types |                    | Account Groups    |                   | Total<br>(Minimum<br>Only) |
|---|-----------------------------|--------------------|-------------------|-------------------|----------------------------|
|   | General                     | Special<br>Revenue | General           | General           |                            |
|   |                             |                    | Fund<br>Assets    | Long-term<br>Debt |                            |
| <b>ASSETS</b>   |                             |                    |                   |                   |                            |
| Cash  | \$ 50,179                   | \$ 717             | \$ -              | \$ -              | \$ 50,896                  |
| Investments   | 48,074                      | -                  | -                 | -                 | 48,074                     |
| Due From other funds  | -                           | 33,400             | -                 | -                 | 33,400                     |
| Fixed assets  | -                           | -                  | 271,476           | -                 | 271,476                    |
| Accounts receivable   | 19,660                      | -                  | -                 | -                 | 19,660                     |
| Prepaid expenditures  | 6,776                       | -                  | -                 | -                 | 6,776                      |
| Amount to-be provided for retirement of<br>general long-term debt | -                           | -                  | -                 | 11,930            | 11,930                     |
| <b>Total assets</b>   | <b>\$ 114,689</b>           | <b>\$ 33,817</b>   | <b>\$ 271,476</b> | <b>\$ 11,930</b>  | <b>\$ 432,912</b>          |
| <b>LIABILITIES AND FUND EQUITY</b>                                |                             |                    |                   |                   |                            |
| <b>Liabilities</b>  |                             |                    |                   |                   |                            |
| Accounts payable  | \$ 7,375                    | \$ -               | \$ -              | \$ -              | \$ 7,375                   |
| Due to other funds  | 33,400                      | -                  | -                 | -                 | 33,400                     |
| Accrued payroll and related benefits payable                      | 2,073                       | -                  | -                 | -                 | 2,073                      |
| Long-term debt -  | -                           | -                  | -                 | 11,930            | 11,930                     |
| Accumulated unpaid matured  | -                           | -                  | -                 | 11,930            | 11,930                     |
| <b>Total liabilities</b>  | <b>\$42,848</b>             | <b>\$-</b>         | <b>\$-</b>        | <b>\$11,930</b>   | <b>\$54,778</b>            |
| <b>Fund Equity</b>  |                             |                    |                   |                   |                            |
| Investment in fixed assets  | -                           | -                  | 271,476           | -                 | 271,476                    |
| <b>Fund balances -</b>  |                             |                    |                   |                   |                            |
| Unreserved, undesignated  | 55,274                      | 29,179             | -                 | -                 | 84,453                     |
| Reserved for future expenditures                                  | 15,342                      | 4,642              | -                 | -                 | 20,028                     |
| <b>Total fund balances</b>  | <b>\$70,616</b>             | <b>\$33,821</b>    | <b>\$-</b>        | <b>\$-</b>        | <b>\$104,437</b>           |
| <b>Total fund equity</b>  | <b>\$70,616</b>             | <b>\$33,821</b>    | <b>\$271,476</b>  | <b>\$-</b>        | <b>\$375,913</b>           |
| <b>Total liabilities and fund equity</b>                          | <b>\$ 113,464</b>           | <b>\$ 33,821</b>   | <b>\$ 271,476</b> | <b>\$ 11,930</b>  | <b>\$ 430,691</b>          |

The accompanying notes are an integral part of this statement.

## VERMILION COUNCIL ON AGING, INC.

Combined Statement of Revenues, Expenditures, and  
Change in Fund Balances - All Governmental Fund Types  
Year Ended June 30, 1995

|   | General   | Special<br>Revenues | Total<br>(Interconnection<br>Only) |
|---|-----------|---------------------|------------------------------------|
| <b>Revenues:</b>  |           |                     |                                    |
| Intergovernmental   | \$ 38,798 | \$ 981,000          | \$ 1,019,798                       |
| Program   | -         | 65,199              | 65,199                             |
| Local and miscellaneous   | 93,742    | 31,262              | 125,004                            |
| Total revenues  | 132,540   | 1,077,461           | 1,210,001                          |
| <b>Expenditures:</b>  |           |                     |                                    |
| Current -   |           |                     |                                    |
| Salaries  | 38,448    | 331,554             | 370,002                            |
| fringe  | 2,913     | 36,553              | 39,466                             |
| Travel  | 144       | 35,233              | 35,377                             |
| Operating services  | 18,178    | 114,777             | 132,955                            |
| Operating supplies  | -         | 41,890              | 41,890                             |
| Capital outlay  | 1,683     | 62,268              | 63,951                             |
| Total expenditures  | 59,266    | 612,275             | 671,541                            |
| Excess (deficiency) of revenues over expenditures                                       | 73,274    | 465,186             | 538,460                            |
| <b>Other financing sources (uses)</b>   |           |                     |                                    |
| Operating transfers in  | -         | 319,813             | 319,813                            |
| Operating transfers out   | (224,896) | (138,217)           | (363,113)                          |
| Total other financing sources (uses)  | (224,896) | 181,596             | (47,300)                           |
| Excess (deficiency) of revenues and other financing<br>over expenditures and other uses | (151,622) | 646,782             | 495,160                            |
| <b>Fund balances, beginning of year</b>   | 115,201   | 26,158              | 141,359                            |
| <b>Fund balances, end of year</b>   | \$ 63,579 | \$ 713,564          | \$ 777,143                         |

The accompanying notes are an integral part of this statement.

## VERMILION COUNCIL, ON AGENY, INC.

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Budget (GAAP Basis) and Actual - Budgeted Special Revenue Funds  
 Year Ended June 30, 1998

|  | <u>Budgeted</u>  | <u>Actual</u>    | <u>Variance -<br/>Favorable<br/>(Unfavorable)</u> |
|--|------------------|------------------|---|
| <b>Revenues</b>  |                  |                  |   |
| Intergovernmental  | \$ 217,580       | \$ 215,576       | \$ 2,004  |
| Program  | 93,875           | 85,889           | (7,986)   |
| Total revenues   | <u>311,455</u>   | <u>301,465</u>   | <u>(9,990)</u>                                    |
| <b>Expenditures</b>  |                  |                  |   |
| Current -  |                  |                  |   |
| Salaries   | 114,978          | 101,554          | 13,424  |
| Fringe   | 28,912           | 26,562           | 2,350   |
| Travel   | 26,444           | 26,125           | 319   |
| Operating services   | 109,811          | 112,475          | (2,664)   |
| Operating supplies   | 45,000           | 44,898           | 102   |
| Capital outlay   | -----            | 591              | (591)   |
| Total expenditures   | <u>340,145</u>   | <u>343,035</u>   | <u>(2,890)</u>                                    |
| Efficiency of revenues over expenditures                                 | <u>(228,665)</u> | <u>(253,169)</u> | <u>(24,504)</u>                                   |
| <b>Other financing sources (uses)</b>                                    |                  |                  |   |
| Operating transfers in   | 570,101          | 595,811          | 25,710  |
| Operating transfers out  | (241,882)        | (311,739)        | (69,857)  |
| Total other financing sources (uses)                                     | <u>328,219</u>   | <u>284,072</u>   | <u>(44,147)</u>                                   |
| Change of revenues and other sources<br>over expenditures and other uses | -----            | -----            | -----   |
| <b>Fund balances, beginning of year</b>                                  | -----            | -----            | -----   |
| <b>Fund balances, end of year</b>  | <u>\$ -----</u>  | <u>\$ -----</u>  | <u>\$ -----</u>                                   |

The accompanying notes are an integral part of this statement.

## MEMBERSHIP COUNCIL ON AGING, INC.

### Notes to Financial Statements

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Financial Reporting Entity

Act 458 of 1984 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, quasi-public corporation which must comply with policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the Council with most of its revenues. The Council also receives revenue from other federal, state, and local government agencies which may impose some additional requirements.

The primary function of the Council on Aging is to improve the quality of life for the parish's elderly and to provide services to the elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Some of the services provided by the Council include congregative and home-delivered meals, nutritional education, information and referral services, legal assistance, homemaker services, financial services, medical aid, outreach, operating senior centers, and transportation. A Board of Directors, consisting of 15 voluntary members who serve three-year terms, governs the Council.

The Council is not a component unit of another primary government nor does it have any component units which are related to it. Therefore, the Council has prepared its financial statement as a separate special-purpose government.

This report includes all funds and account groups which are controlled by or dependent on the Membership Council On Aging, Inc. Control by or dependency on the Council was determined on the basis of budget adoption, appointment of governing body, and other general oversight responsibility.

##### B. Presentation of Statements

In April, 1983, 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 Accounting for State and Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection 51 - Annual Financial Reporting, accounting manual the Governor's Office of Elderly Affairs coordinates; and, the Louisiana Governmental Audit Guide.

## VERMILION COUNCIL ON AGING, INC.

### Notes to Financial Statements

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### C. 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 functions or activities.

The accounts of the Council are organized on the basis of funds and account groups, 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, equity, revenues and expenditures. Reserves are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two specific fund types and two broad fund categories (account groups).

##### Governmental Fund Types

Governmental funds are used to account for all or most of the Council's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition of 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. Their discretionary funds are accounted for and reported according to the source (federal, state or local) from which they are derived.

The following programs comprise the Council's General Fund:

##### Other Local

Revenues, such as, (1) donations from the general public, (2) income from various fundations, and (3) interest income earned on life funds which have been invested, have been awarded in the "other local" program of the General Fund. Expenses incurred which are not chargeable to specific programs are recorded as "other local" program expenditures. Also, expenses incurred to produce related program services fees and fundraising income are charged as "other local" program expenditures. "Other local" funds are also used as transfers to special revenue funds to supplement their programs. In addition, fixed asset additions are generally paid with "other local" funds.

VERMILION COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FOUR (Act 733)

FOUR (Act 733) funds are appropriated for the Governor's Office of Elderly Affairs by the Louisiana Legislature for assistance to the Council on Aging. The Council may use the "Act 733" funds at its discretion provided the program is benefiting people who are at least 65 years old.

Medicaid

This is a program where the Council completes enrollment applications for people wanting to apply for Medicaid services. The Council is paid \$14 per application it completes by the Department of Health and Hospitals (DHH). Any funds remaining after applying direct costs to operate this program are available for discretionary use by management.

The Council also acts as a coordinator of services for people who are homebound and in need of services similar to those provided in a nursing home. Rather than have the person visit a nursing home, the Council coordinates necessary services and is paid a fee by Medicaid for performing the personal care attendant function.

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.

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

Title III-B Supportive Services Fund

Title III-B funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs which "passes through" the funds to the Council. This program is used to account for funds which are to provide a variety of social services, such as, information and assistance, access services, in-home services, community services, legal assistance, and outreach for people age 60 and older.

Title III-C-1 Congregate Meals Fund

Title III-C-1 funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. During the fiscal year July 1, 1997 to June 30, 1998, the Council served about 24,387 congregate meals.

## VERMILION COUNTY ELDER CENTER, INC.

### Notes to Financial Statements

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Title II-C-3 Home Delivered Meals Fund

Title II-C-3 funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This fund is used to account for funds which are used to provide nutritional, home delivered meals to homebound older persons. During the fiscal year July 1, 1997 to June 30, 1998, the Council served about 20,155 home delivered meals.

##### Title II-D Fund

The Title II-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 II-D funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

##### Title II-F Fund

The Title II-F Fund is used to account for funds used for disease prevention and health promotion activities or services, such as: (1) equipment and materials (such as weight people, educational materials, and exercise equipment), (2) home injury control, (3) nutrition management, (4) mental health, and (5) nutrition (assessment/counseling, counseling, and education). The law directs the state agency administering this program to "give priority to areas of the state which are medically underserved and in which there are a large number of older individuals who have the greatest economic and social need." Title II-F funds are provided by the U.S. Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

##### Senior Center Fund

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The Council operates two senior centers in Vermilion Parish, Louisiana.

VERMILION COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Section 5311

Section 5311 funds for local transportation are funds provided by the United States Department of Transportation through the Louisiana Department of Transportation and Development which, in turn passes these funds to the Council via the Vermilion Parish Policy Jury. Funds earned and received by the Council are based on actual operating costs of providing transportation services to rural residents within the parish.

Miscellaneous Grant

The Miscellaneous Grant Fund is used to account for funds provided by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. The funds are used to supplement the other programs operated by the Council.

Title III-D-Orthogeriatric Fund

The Orthogeriatric Fund is used to account for funds used to provide people age 65 and older residing in long-term care facilities a representative to ensure that such residents' rights are upheld, to resolve complaints by residents with the management of the long-term care facility, and to promote quality care at the facility. Orthogeriatric funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council.

PRMA Fund

The PRMA Fund is used to account for the administration of a Disaster Assistance Program whose purpose is to supplement food and shelter assistance to individuals who might currently be receiving assistance, as well as to assist those who are not receiving any. Funds are provided by the Federal Emergency Management Agency through the United Way of Acadiana which in turn "passes through" the funds to the Council.

Special Projects Fund

This fund is used to account for donations received from local businesses to provide for trips for the elderly.

Share for Light Fund

The Share for Light Fund is used to account for the administration of programs that are sponsored by the City of Abbeville. The City collects contributions from service customers and sends the funds to the Council so that it can provide assistance to the elderly for the payment of their utility bills.

## VERMILION COUNCIL ON AGING, INC.

### Notes to Financial Statements

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Project Care

The Project Care 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 Cajon Area Agency on Aging, Inc., which in turn remits funds relating to Vermilion Parish to the Council so that it can provide assistance to the elderly for the payment of their utility bills.

##### United Way Fund

This fund reports assistance received from the community's regular United Agency Activity. The funds are received upon application to the United Way Agency and are subject to monitoring by that agency.

##### Project Independence

The Project Independence Fund is used to account for revenue received from the Department of Social Services to provide transportation to the underserved individuals of the parish.

##### Account Group

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 reportable available financial resources. The following three account groups are not "funds".

##### General Fixed Assets

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

##### General Long-Term Debt

Long-term liabilities reported to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only the portion expected to be financed from reportable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the General Long-Term Debt Account Group.

## VERMILION COUNCIL ON AGING, INC.

### Notes to Financial Statements

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 13. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its maintenance focus. The governmental funds, including the General and Special Revenue Funds, are accounted for using a general 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 (revenues and other financing sources) and decreases (expenditures and other financing uses) 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 susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Council recognizes all revenues available if they are collected within 60 days after year end. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for principal and interest on long-term debt which are recorded when due.

##### 14. Transfers and Interfund Loans

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 classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables and payables.

##### 15. Budget Policy

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

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

The Council may also obtain grants from agencies other than OEAA and the Council considers the potential revenues to be raised under those grants.

Projections are made of revenues from other sources based on past trends and data available in form expectations of future revenues.

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

The Board of Directors reviews and adopts the budget before May 31 of the current year for the next year.

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

VERMONT POLICE COLLEGE, INC.

Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All budgetary appropriations lapse at the end of each fiscal year (June 30). Occasionally, the Council will receive a special project grant which may operate on a period different from the Council's normal fiscal year, and therefore, have a specified date when the budgetary appropriations will lapse.

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

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

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 Public Affairs for each revised order grant from this state agency. As a part of this grant award, GOFA requires the Council to amend its budget in cases where actual costs for a particular cost category exceeded the budgeted amount by more than ten percent. Otherwise, the excess costs could be treated as unanticipated expenditures.

Expenditures cannot legally exceed appropriations at the individual line level.

The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some General Fund and Special Revenue Fund activities are not budgeted, particularly if they are deemed to be immaterial by management.

11. Total Columns on Combined Statements - Overview

Total columns on the combined statements - overview are captioned "Information 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.

12. Fixed Assets

Assets which cost at least \$150 and which have an estimated useful life of greater than one year is capitalized as fixed assets. All fixed assets are stated at historical cost or estimated historical cost, if actual historical cost is not available. Depreciated fixed assets are stated at their estimated fair market value on the date donated. The depreciation has been provided on general fixed assets.

13. Compensated Absences

The Council's policy allows full-time employees to carry forward 30 days of annual leave and 60 days of sick leave beyond the fiscal year-end. Full-time employees earn 1 1/2 days of annual leave and 1 1/2 days of sick leave, per month. The sick leave is paid upon termination. The liability for accumulated annual leave has been recorded in the General Long-Term Debt account group.

VERMILION COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**J. Related Party Transactions**

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

**K. Restricted Assets**

Restricted assets represent assets which have been primarily acquired through donations whereby the donor has placed a restriction on how the donation can be used by the Council (i.e., utility assistance funds). Restricted assets are offset by a corresponding reservation of the Council's fund balance.

**L. Reservation and Designation of Fund Balances**

The Council "reserves" portions of its fund balance that are not available for expenditures because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets which make them only available to meet future obligations.

Designated allocations of fund balances result when the Council's management intends to expend certain resources in a designated manner.

**M. Prepaid Expenditures**

The Council has elected not to expense amounts paid for future services until those services are consumed in comply with the cost reimbursement terms of its grant agreements. The fund balances in the governmental fund types have been reserved for any prepaid expenditures recorded in these funds to reflect the amount of fund balances not currently available for expenditures.

**N. Use of Estimates**

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

NOTE 2 REVENUE RECOGNITION - INTERGOVERNMENTAL, PROGRAM SERVICE FEES, PUBLIC SUPPORT, AND MISCELLANEOUS REVENUES

Intergovernmental

Intergovernmental revenues are recorded in governmental funds as revenues in the accounting period when they become receivable in amount, that is, measurable and available (modified accrual basis). Intergovernmental grants do not allow the Council to recognize revenue under the grant award until actual costs are incurred or units of service are provided.

VERMILION COUNCIL ON AGING, INC.

Notes to Financial Statements

**NOTE 2 REVENUE RECOGNITION - INTERGOVERNMENTAL, PROGRAM SERVICE FEES, PUBLIC SUPPORT, AND MISCELLANEOUS REVENUES (CONTINUED)**

**Program Service Fees**

Program service fees are recognized when the Council provides the service that enables the Council to charge the recipient for the services received. The Council encourages and receives contributions from clients to help offset the costs of its Title 18-B, C-1, C-2 and D programs.

**Public Support and Miscellaneous Revenues**

Utility assistance funds are provided from public deposits via utility company programs. In addition, various fund raising are held during the year to obtain funds to offset costs of general operations and senior activities. The timing and amounts of the receipts of public support and miscellaneous revenues are difficult to predict. Therefore, they are not acceptable to accrual and are recorded as revenue in the period received.

**NOTE 3 CASH AND INTEREST-BEARING DEPOSITS**

The Council maintains a consolidated bank account to deposit the money it collects and to pay its bills. The consolidated bank account is available for use by all funds. The purpose of this consolidated account is to reduce administrative costs and facilitate cash management. The consolidated account also allows these funds with available cash balances to cover any negative cash balances in other funds at year end. At June 30, 1998, the balance of the Council's consolidated bank account was \$28,988.

Under state law, the Council may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The council may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1998, the Council has cash (bank balances) totaling \$28,982 as follows:

|                       |                 |
|-----------------------|-----------------|
| Depository deposits   | \$28,284        |
| Money market accounts | 708             |
|                       | <u>\$28,992</u> |

Deposit balances (bank balances) at June 30, 1998, totaled \$28,982 and are fully insured by Federal depository insurance. GASB Statement 3 categorizes the credit risk of these deposits as Category 1 because they are fully insured.

**NOTE 4 INVESTMENTS**

State statutes authorize the Council to invest temporarily idle monies in the following:

1. United States Treasury Bonds,
2. United States Treasury Notes,
3. United States Treasury Bills,
4. Obligations of U.S. Government Agencies, including such instruments as Federal Home Loan Bank bonds, Government National Mortgage Association bonds, or a variety of "Federal Farm Credit" bonds,

VERMONT COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 4 INVESTMENTS (CONTINUED)

5. Fully collateralized certificates of deposit issued by qualified commercial banks and savings and loan associations located within the State of Louisiana.
6. Fully collateralized repurchase agreements.
7. Fully collateralized interest-bearing checking accounts, and
8. Mutual or Trust Fund investments which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States Government or its agencies.

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 needs.

As June 30, 1998, the Council had the following investments:

| Type of Investment       | Interest         |       |          |
|--------------------------|------------------|-------|----------|
|                          | Amount           | Rate  | Maturity |
| <b>Bank of America</b>   |                  |       |          |
| Certificate of deposit   | \$ 11,298        | 3.80% | 10/1/98  |
| <b>Wells Fargo Bank</b>  |                  |       |          |
| Certificate of deposit   | 30,905           | 3.20% | 8/3/98   |
| <b>Bank of Asheville</b> |                  |       |          |
| Certificate of deposit   | 3,821            | 3.20% | 2/8/99   |
| <b>Total investments</b> | <u>\$ 46,024</u> |       |          |

All of the above deposits were covered by federal depository insurance (Category I).

The above investments have been recorded at cost, which approximates market value. The market value of the above accounts do not fluctuate. Management intends to hold all investments until their maturity, thus, no entry has been made on the books to reflect any increases or decreases in market value at year end.

NOTE 5 CHANGES IN GENERAL FIXED ASSETS

|                                       | Balance           |                  |                  | Balance           |
|---------------------------------------|-------------------|------------------|------------------|-------------------|
|                                       | July 1,<br>1997   | Additions        | Deletions        | June 30,<br>1998  |
| <b>General fixed assets, at cost:</b> |                   |                  |                  |                   |
| Furniture & Fixtures                  | \$ 58,452         | \$ 1,277         | \$ 11,148        | \$ 48,581         |
| Vehicles                              | 150,310           | 61,679           | 11,182           | 210,797           |
| Leasehold improvements                | 11,268            | —                | —                | 11,268            |
| <b>Total general fixed assets</b>     | <u>\$ 320,020</u> | <u>\$ 62,956</u> | <u>\$ 22,330</u> | <u>\$ 360,646</u> |

VERMILION COUNCIL ON ACIDS, INC.

Notes to Financial Statements

NOTE 4 BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for out-of-pocket travel expenses incurred in accordance with the Council's regular personnel policy.

NOTE 7 INCOME TAX STATUS

The Council is a non-profit corporation, is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code of 1955 and is an organization that is not a private foundation as defined in Section 170(e) of the code. It is also exempt from Louisiana Income Tax.

NOTE 8 CHANGES IN LONG-TERM DEBT

|                      | Balance         | Principal |          | Balance          |
|----------------------|-----------------|-----------|----------|------------------|
|                      | July 1,<br>1997 | Additions | Debtors  | June 30,<br>1998 |
| Accrued annual lease | \$ 11,348       | \$ 1,562  | \$ _____ | \$ 11,810        |

Accrued annual lease is expected to be paid during the fiscal year ended June 30, 1999.

NOTE 9 JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

There is no litigation pending against the Council as June 30, 1998. Furthermore, the Council's management believes that any potential lawsuits would be adequately covered by insurance.

NOTE 10 FEDERAL AWARD PROGRAMS

The Council receives revenues from various Federal and State grant programs which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. Any deficiencies 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 action 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 11 ECONOMIC DEPENDENCY

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

## VERMILION COUNCIL ON AGING, Inc.

## Notes to Financial Statements

## NOTE 12: RISK MANAGEMENT

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

## NOTE 13: INTERFUND LOANS

|                         | <u>Interfund</u><br><u>Receivables</u> | <u>Interfund</u><br><u>Payables</u> |
|-------------------------|--|-------------------------------------|
| General Fund            | \$ -                                   | \$ 31,189                           |
| Special Services Funds: |  |                                     |
| Project Card            | 2,927                                  | -                                   |
| Special Projects        | 8,850                                  | -                                   |
| United Way              | 3,334                                  | -                                   |
| FEMA                    | 18                                     | -                                   |
| Project Independence    | 18,984                                 | -                                   |
|                         | <u>\$ 30,803</u>                       | <u>\$ 31,189</u>                    |

## NOTE 14: INTERFUND TRANSFERS:

Operating transfers in and out are listed by fund for 2008:

|                         | <u>Funds transferring to:</u> |                             |                               |                   |
|-------------------------|-------------------------------|-----------------------------|-------------------------------|-------------------|
|                         | <u>Senior</u><br><u>0311</u>  | <u>Title</u><br><u>01-3</u> | <u>Title</u><br><u>01-C-1</u> | <u>Total</u>      |
| Funds transferring out: |                               |                             |                               |                   |
| Interborough Grant      | \$ -                          | \$ 4,500                    | \$ -                          | \$ 4,500          |
| General Fund            | 29,000                        | 71,763                      | 52,790                        | 153,553           |
| United Way              | -                             | 26,500                      | -                             | 26,500            |
| Senior 0311             | -                             | 76,834                      | -                             | 76,834            |
| Project Independence    | -                             | 47,364                      | -                             | 47,364            |
| Senior Center           | -                             | 31,478                      | -                             | 31,478            |
|                         | <u>\$ 29,000</u>              | <u>\$ 261,739</u>           | <u>\$ 52,790</u>              | <u>\$ 543,607</u> |

## VERMILION COUNCIL ON AGING, INC.

## Notes to Financial Statements

## NOTE 13. RESTRICTED FUND BALANCE

The Council receives funding from various utility companies for the restricted purpose of alleviating hardship conditions related to the payment of utility bills for elderly individuals. Funds available at year-end for this purpose have been reserved accordingly. The following summary outlines the activity by fund source for the year ended June 30, 1998:

|  | Balance<br>July 1,<br>1997 | Revenue<br>July 1, 1997 -<br>June 30, 1998 | Disbursements<br>July 1, 1997 -<br>June 30, 1998 | Balance<br>June 30,<br>1998 |
|--|----------------------------|--|--|-----------------------------|
| City of Abbeville<br>(Other Use Light) | \$ 880                     | \$ 299                                     | \$ 433   | \$ 746                      |
| Energy (Project Care)                  | <u>2,753</u>               | <u>2,283</u>                               | <u>1,555</u>                                     | <u>3,581</u>                |
|  | <u>\$ 3,633</u>            | <u>\$ 2,582</u>                            | <u>\$ 1,988</u>                                  | <u>\$ 4,627</u>             |

The Council has other assets which are restricted in their application by virtue of the donor's intention or commitments already entered into by the Council. Details on the reserved balances are set out below:

|                              |                  |
|------------------------------|------------------|
| Utility Assistance           | \$ 4,685         |
| Bills for Meals              | 8,558            |
| Prepaid Expenditures         | <u>8,778</u>     |
| Total Reserved Fund Balance: | <u>\$ 22,021</u> |

## NOTE 14. EXCESS EXPENDITURES OVER APPROPRIATIONS

At year-end, the Council has four funds whose expenditures exceeded appropriations. The individual funds and the amount of the excess expenditures are:

|               |               |
|---------------|---------------|
| Title III C-2 | <u>\$ 896</u> |
| Senior Center | <u>1,515</u>  |
| Outstanding   | <u>1,347</u>  |

## VERMILION COUNCIL ON ACING, INC.

## Notes to Financial Statements

## NOTE 17 BUDGET PRESENTATION -- RECONCILIATION

The Council is not required to adopt a budget for the General Fund; therefore, no budget presentation is shown in these financial statements.

Budgets are also not presented for the FEMA Fund, Special Projects Fund, Project Care Fund, Section 5311 Fund, Project Independence Fund, Shine the Light Fund, and the United Way Fund, because budgets were not adopted for these funds.

The following is a schedule reconciling all special revenue funds to special revenue funds in which budgets were adopted:

|  | Budgeted<br>Special<br>Revenue<br>Funds | Special<br>Revenue<br>Funds not<br>Budgeted | All<br>Special<br>Revenue<br>Funds |
|--|---|---|------------------------------------|
| Total revenues   | \$ 388,715                              | \$ 284,673                                  | \$ 673,388                         |
| Total expenditures   | (541,867)                               | (68,975)                                    | (610,842)                          |
| Total other financing sources (uses)                                     | 215,231                                 | (128,790)                                   | 86,441                             |
| Excess of revenues and other sources over<br>expenditures and other uses | -                                       | 3,702                                       | 3,702                              |
| Fund balances  |   |   |                                    |
| Beginning of year  | -----                                   | 28,138                                      | 28,138                             |
| End of year  | \$ -----                                | \$ 31,840                                   | \$ 31,840                          |

## SUPPLEMENTAL INFORMATION

## SCHEDULES OF INDIVIDUAL FINES

## VERABELOW CORPORA - ON AGING, INC.

Statement of Revenues, Expenditures, and  
Changes in Fund Balance - General Fund  
Year Ended June 30, 1998

|  | Local            | PCOA<br>Act 750 | Medicaid         | Total            |
|--|------------------|-----------------|------------------|------------------|
| <b>Local and miscellaneous:</b>  |                  |                 |                  |                  |
| Intergovernmental  | \$ -             | \$ 11,779       | \$ 27,043        | \$ 38,794        |
| Verabelow Health Policy Act  | 29,108           | -               | -                | 29,108           |
| Municipalities   | 1,811            | -               | -                | 1,811            |
| Interest income  | 3,142            | -               | -                | 3,142            |
| Adult day care   | 7,596            | -               | -                | 7,596            |
| Medicaid   | 4,993            | -               | -                | 4,993            |
| Senior Olympics  | 450              | -               | -                | 450              |
| Transportation   | 38,376           | -               | -                | 38,376           |
| Micro Etc grants   | 13,784           | -               | -                | 13,784           |
| Miscellaneous  | 3,120            | -               | -                | 3,120            |
| <b>Total revenues</b>  | <b>83,140</b>    | <b>11,779</b>   | <b>27,043</b>    | <b>121,962</b>   |
| <b>Expenditures:</b>   |                  |                 |                  |                  |
| <b>Current -</b>   |                  |                 |                  |                  |
| Salaries   | 18,146           | -               | 26,119           | 44,265           |
| Fringe   | 811              | -               | 3,100            | 3,911            |
| Travel   | -                | -               | 794              | 794              |
| Operating services   | 18,176           | -               | 22               | 18,198           |
| Capital outlay   | 1,687            | -               | -                | 1,687            |
| <b>Total expenditures</b>  | <b>38,819</b>    | <b>-</b>        | <b>28,045</b>    | <b>66,864</b>    |
| <b>Excess of revenues over expenditures</b>                                      | <b>44,321</b>    | <b>11,779</b>   | <b>(1,002)</b>   | <b>55,098</b>    |
| <b>Other financing (uses):</b>   |                  |                 |                  |                  |
| Operating transfers out  | (114,717)        | (11,779)        | -                | (126,496)        |
| <b>Excess of revenues and other sources<br/>over expenditures and other uses</b> | <b>(70,396)</b>  | <b>-</b>        | <b>(1,002)</b>   | <b>(71,398)</b>  |
| <b>Fund balance, beginning of year</b>   | <b>86,524</b>    | <b>-</b>        | <b>46,348</b>    | <b>132,872</b>   |
| <b>Fund balance, end of year</b>   | <b>\$ 16,128</b> | <b>\$ -</b>     | <b>\$ 45,346</b> | <b>\$ 61,474</b> |

VERMILION COUNCIL OF GOVERNMENTS, INC.

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -  
All Special Revenue Funds  
Year Ended June 30, 1998

|  | Title<br>01-8    | Title<br>01-1 | Title<br>01-2   | Title<br>01-3 | Title<br>01-7 |
|--|------------------|---------------|-----------------|---------------|---------------|
| <b>Revenues:</b>   |                  |               |                 |               |               |
| Intergovernmental  | \$ 188,657       | \$ 33,873     | \$ 16,946       | \$ 4,893      | \$ 5,819      |
| Program  | 32,860           | 11,269        | 41,607          | -             | -             |
| Local and miscellaneous  | 4,368            | -             | -               | -             | -             |
| Total revenues   | <u>225,885</u>   | <u>45,142</u> | <u>58,553</u>   | <u>4,893</u>  | <u>5,819</u>  |
| <b>Expenditures:</b>   |                  |               |                 |               |               |
| Current:   |                  |               |                 |               |               |
| Salaries   | 238,917          | 71,183        | 54,054          | 456           | 331           |
| Fringe   | 18,553           | 3,403         | 4,289           | 36            | 42            |
| Travel   | 2,549            | 334           | 17,288          | 3,889         | 13            |
| Operating services   | 80,793           | 5,784         | 71,208          | 344           | 1,824         |
| Operating supplies   | 24,336           | 5,150         | 3,499           | 45            | 3,889         |
| Capital outlay   | -                | -             | -               | -             | 581           |
| Total expenditures   | <u>385,248</u>   | <u>85,857</u> | <u>146,248</u>  | <u>4,660</u>  | <u>5,680</u>  |
| Excess (deficiency) of revenues<br>over expenditures                                     | <u>(159,363)</u> | <u>-</u>      | <u>(87,695)</u> | <u>-</u>      | <u>-</u>      |
| Other financing sources (uses):  |                  |               |                 |               |               |
| Operating transfers in   | 262,719          | -             | 31,281          | -             | -             |
| Operating transfers out  | -                | -             | -               | -             | -             |
| Total other financing<br>sources (uses)  | <u>262,719</u>   | <u>-</u>      | <u>31,281</u>   | <u>-</u>      | <u>-</u>      |
| Excess (deficiency) of revenues<br>and other sources over<br>expenditures and other uses | <u>103,356</u>   | <u>0</u>      | <u>(56,414)</u> | <u>0</u>      | <u>0</u>      |
| Fund balances, beginning of year   | <u>0</u>         | <u>0</u>      | <u>0</u>        | <u>0</u>      | <u>0</u>      |
| Fund balances, end of year   | <u>103,356</u>   | <u>0</u>      | <u>(56,414)</u> | <u>0</u>      | <u>0</u>      |

| <u>Service</u><br><u>Center</u> | <u>Service</u><br><u>5311</u> | <u>Miscellaneous</u><br><u>Grant</u> | <u>Construction</u> | <u>FISMA</u> | <u>Special</u><br><u>Project</u> | <u>State</u><br><u>the</u><br><u>Legis</u> |
|---------------------------------|-------------------------------|--------------------------------------|---------------------|--------------|----------------------------------|--|
| \$ 48,779                       | \$ 121,521                    | \$ 4,580                             | \$ 4,826            | \$ 345       | \$ -                             | \$ -                                       |
| -                               | -                             | -                                    | -                   | -            | -                                | -  |
| -                               | -                             | -                                    | 3,120               | -            | -                                | 299  |
| 48,779                          | 121,521                       | 4,580                                | 3,528               | 345          | -                                | 299  |
| -                               | -                             | -                                    | 5,384               | -            | -                                | -  |
| -                               | -                             | -                                    | 155                 | -            | -                                | -  |
| -                               | -                             | -                                    | -                   | -            | -                                | -  |
| 3,080                           | -                             | -                                    | -                   | 237          | -                                | 421  |
| -                               | -                             | -                                    | -                   | -            | -                                | -  |
| -                               | 66,623                        | -                                    | -                   | -            | -                                | -  |
| 3,080                           | 66,623                        | -                                    | 5,538               | 237          | -                                | 421  |
| 37,279                          | 26,452                        | 4,580                                | -                   | (381)        | -                                | (244)                                      |
| -                               | 26,483                        | -                                    | -                   | -            | -                                | -  |
| (37,279)                        | (26,483)                      | (4,580)                              | -                   | -            | -                                | -  |
| (37,279)                        | (26,452)                      | (4,580)                              | -                   | -            | -                                | -  |
| -                               | -                             | -                                    | -                   | (182)        | -                                | (244)                                      |
| -                               | -                             | -                                    | -                   | 282          | 1,150                            | 880  |
| \$ -                            | \$ -                          | \$ -                                 | \$ -                | \$ 90        | \$ 1,150                         | \$ 796                                     |

(Continued)

## VERMILION COUNCIL ON AGING, INC.

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -  
All Special Revenue Funds (Continued)  
Year Ended June 30, 1998

|  | Project<br>Care | United<br>Way | Project<br>Independence | Total      |
|--|-----------------|---------------|-------------------------|------------|
| <b>Revenues:</b>   |                 |               |                         |            |
| Intergovernmental  | \$ -            | \$ -          | \$ 45,384               | \$ 587,054 |
| Programs   | -               | -             | -                       | 65,199     |
| Local and miscellaneous  | 2,281           | 28,715        | -                       | 33,996     |
| Total revenues   | 2,281           | 28,715        | 45,384                  | 686,249    |
| <b>Expenditures:</b>   |                 |               |                         |            |
| Careers -  |                 |               |                         |            |
| Salaries   | -               | -             | -                       | 351,234    |
| Fringe   | -               | -             | -                       | 78,332     |
| Travel   | -               | -             | -                       | 78,235     |
| Operating services   | 1,142           | -             | -                       | 114,917    |
| Operating supplies   | -               | -             | -                       | 44,800     |
| Capital outlay   | -               | -             | -                       | 87,264     |
| Total expenditures   | 1,142           | -             | -                       | 618,562    |
| Excess (deficiency) of revenues<br>over expenditures                                     | 1,139           | 28,715        | 45,384                  | 118,704    |
| <b>Other financing sources (uses):</b>   |                 |               |                         |            |
| Operating transfers in   | -               | -             | -                       | 313,813    |
| Operating transfers out  | -               | (26,580)      | (65,580)                | (199,513)  |
| Total other financing<br>sources (uses)  | -               | (26,580)      | (65,580)                | 118,490    |
| Excess (deficiency) of revenues<br>and other sources over<br>expenditures and other uses | 1,139           | 2,873         | -                       | 5,713      |
| Fund balances, beginning of year   | 2,172           | 609           | 16,984                  | 29,765     |
| Fund balances, end of year   | \$ 3,311        | \$ 3,504      | \$ 16,984               | \$ 33,803  |

## VERMILION COUNCIL ON AGING, INC.

Statement of Expenditures - Budget (GAAP Basis) and Actual -  
Special Revenue Funds  
Year Ended June 30, 1998

|                    | <u>Budgeted</u>   | <u>Actual</u>     | <u>Variance -<br/>Favorable<br/>(Unfavorable)</u> |
|--------------------|-------------------|-------------------|---|
| <b>Table III-D</b> |                   |                   |   |
| Salaries           | \$ 104,157        | \$ 239,917        | \$ 135,760  |
| Fringe             | 20,318            | 18,863            | 1,455   |
| Travel             | 9,648             | 3,249             | 6,399   |
| Operating services | 87,802            | 90,793            | (2,991)   |
| Operating supplies | 20,918            | 24,206            | (3,288)   |
|                    | <u>\$ 182,843</u> | <u>\$ 387,028</u> | <u>\$ 204,185</u>                                 |
| <b>Table III-E</b> |                   |                   |   |
| Salaries           | \$ 50,400         | \$ 31,883         | \$ 18,517   |
| Fringe             | 2,617             | 3,483             | (866)   |
| Travel             | 611               | 754               | (143)   |
| Operating services | 9,652             | 5,784             | 3,868   |
| Operating supplies | 5,110             | 5,120             | 10  |
|                    | <u>\$ 68,390</u>  | <u>\$ 47,024</u>  | <u>\$ 21,366</u>                                  |
| <b>Table III-F</b> |                   |                   |   |
| Salaries           | \$ 62,914         | \$ 84,894         | \$ 21,980   |
| Fringe             | 4,407             | 4,284             | 123   |
| Travel             | 17,419            | 17,280            | 139   |
| Operating services | 11,838            | 11,238            | 600   |
| Operating supplies | 2,942             | 3,899             | (957)   |
|                    | <u>\$ 119,530</u> | <u>\$ 137,585</u> | <u>\$ 18,055</u>                                  |
| <b>Table III-G</b> |                   |                   |   |
| Salaries           | \$ 407            | \$ 486            | \$ 79   |
| Fringe             | 52                | 56                | (4)   |
| Travel             | 3,216             | 3,889             | (673)   |
| Operating services | 539               | 546               | (7)   |
| Operating supplies | 48                | 40                | 8   |
|                    | <u>\$ 4,262</u>   | <u>\$ 4,917</u>   | <u>\$ 655</u>                                     |

(Continued)

VERMILION COUNCIL ON AGING, INC.

Statement of Expenditures - Budget (PLSAP Basis) and Actual -  
Special Services Fund (Continued)  
Year Ended June 30, 1998

|                      | <u>Budgeted</u> | <u>Actual</u>   | <u>Variance -<br/>Favorable<br/>(Unfavorable)</u> |
|----------------------|-----------------|-----------------|---|
| <b>Title III-E</b>   |                 |                 |   |
| Salaries             | \$ 500          | \$ 500          | \$ 0  |
| Fringe               | 61              | 62              | 10  |
| Travel               | 30              | 20              | 10  |
| Operating services   | 1,879           | 1,024           | 150   |
| Operating supplies   | 1,081           | 2,888           | 512   |
| Capital outlay       | -----           | 385             | (385)   |
|                      | <u>\$ 3,630</u> | <u>\$ 5,020</u> | <u>\$ 1,390</u>                                   |
| <b>Senior Center</b> |                 |                 |   |
| Operating services   | <u>\$ 4,982</u> | <u>\$ 3,100</u> | <u>\$ 1,882</u>                                   |
| <b>Outreach</b>      |                 |                 |   |
| Salaries             | \$ 4,680        | \$ 5,384        | \$ (704)  |
| Fringe               | 687             | 310             | 377   |
|                      | <u>\$ 5,367</u> | <u>\$ 5,694</u> | <u>\$ (327)</u>                                   |

## **INTERNAL CONTROL AND COMPLIANCE**



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# Darnall, Sikes & Frederick

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## Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

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Verillion Council on Aging, Inc.  
Abbeville, Louisiana

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We have audited the general purpose financial statements of the Verillion Council on Aging, Inc., as of and for the five year ended June 30, 1998, and have issued our report thereon dated September 24, 1998. We conducted our audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Verillion Council on Aging, Inc.'s general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of general purpose financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### Internal Control over Financial Reporting

In planning and performing our audit, we reviewed the Verillion Council on Aging, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Verillion Council on Aging, Inc.'s ability to record, process, summarize and report financial data consistent with the assertions of management to the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 94-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements to 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

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consideration of the internal control structure over financial reporting 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 the reportable conditions described above as 7E.1 is a material weakness.

This report is intended for the information of the board of directors and management. However, this report is a matter of public record and its distribution is not limited.

*Dunwoody, Selzer & Finkbeiner*

A Corporation of Certified Public Accountants

Monroe, Louisiana  
September 24, 1998

#### OTHER SUPPLEMENTARY INFORMATION

VIRBILIUM COUNCIL OF AGENCIES, INC.

Schedule of Changes in General Fixed Assets  
Year Ended June 30, 1998

|  | Balance<br>June 30,<br>1997 | Additions | Deletions | Balance<br>June 30,<br>1998 |
|--|-----------------------------|-----------|-----------|-----------------------------|
| General fixed assets, at cost:                               |                             |           |           |                             |
| Furniture & Fixtures   | 28,452                      | 1,273     | 11,358    | 18,367                      |
| Vehicles   | 157,381                     | 87,679    | 11,332    | 233,728                     |
| Leasehold improvements                                       | 11,369                      | —         | —         | 11,369                      |
| Total general fixed assets                                   | \$ 197,162                  | \$ 88,952 | \$ 22,690 | \$ 263,424                  |
| Investment in general fixed assets:                          |                             |           |           |                             |
| Property acquired prior to<br>July 1, 1997*                  | \$ 186,004                  | \$ -      | \$ 5,215  | 180,789                     |
| Property acquired after<br>July 1, 1997 with funds<br>from - |                             |           |           |                             |
| Local  | 112,181                     | 1,687     | 10,783    | 103,085                     |
| Title III-C  | 3,425                       | -         | 939       | 2,486                       |
| Title III-F  | 3,042                       | 593       | 2,077     | 1,558                       |
| Section 501(c)   | —                           | 66,673    | —         | 66,673                      |
|  | \$ 122,648                  | \$ 68,953 | \$ 13,802 | \$ 177,799                  |

\* Records reflecting sources from which assets were acquired were not maintained prior to July 1, 1998.

VERMONT BUSINESS COUNCIL, INC.

Schedule of Disbursements to Board Members  
Year ended June 30, 1996

The Board of Directors is a voluntary board, therefore, no compensation has been paid to any member. The following board member was reimbursed for mileage and travel expenses while attending to business of the Council:

Ann Michel

\$21

VERMILION COUNCIL ON AGENCIES, INC.

Summary Schedule of Prior Year Findings  
Year Ended June 30, 1998

99-1 Finding: Inadequate Segregation of Accounting Functions

Status: This finding is unresolved. See current year finding 99-1.

VIRAMILTON COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs  
Year Ended June 30, 1994

Part 1: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report - Financial Statements

An unqualified opinion has been issued on Viramilton Council on Aging, Inc.'s financial statements as of and for the year ended June 30, 1994.

Reportable Conditions - Financial Reporting

One reportable condition in internal control over financial reporting was disclosed during the audit of the financial statements and is shown as item 95-1 in Part 2 and is considered a material weakness.

Material Noncompliance - Financial Reporting

There was no material instance of noncompliance noted during the audit.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 1994.

Part 2: Findings Relating to an Audit in Accordance with Environmental Auditing Standards

95-1 Independent Segregation of Accounting Functions

Finding:

Due to the small number of accounting personnel, the Council did not have adequate segregation of functions within the accounting system.

Recommendation:

Based upon the size of the operation and the cost benefit of additional personnel it may not be feasible to achieve complete segregation of duties.

Part 3: Findings and Questioned Costs Relating to Federal Programs

At June 30, 1994, the Viramilton Council on Aging, Inc. did not meet the requirements to have a single audit in accordance with OMB Circular A-133, therefore this section is not applicable.

VERMILION CORP. (NYSE:VET), INC.

Management's Corrective Action Plan For Current Year Findings  
Year Ended June 30, 1995

Response to Finding 9B-1:

No response is considered necessary.