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Financial Report  
The Tangipahoa Parish Voluntary Council on Aging  
Amite, Louisiana  
June 30, 1998

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 12-9-98

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Amite, Louisiana

June 30, 1998

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# NEIL G. FERRARI

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,  
The Tangipahoa Parish Voluntary Council on Aging  
Amite, Louisiana.

I have audited the accompanying general purpose financial statements of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana, as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana, as of June 30, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report (see page 3) dated August 18, 1998, on my consideration of The Tangipahoa Parish Voluntary Council on Aging's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

My audit was made for the purpose of forming an opinion on the general purpose financial statements of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana, taken as a whole. The accompanying financial information listed as supplementary financial information in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Neil B. Fenari, CPA*

Baton Rouge, Louisiana,  
August 18, 1998.

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

To the Board of Directors,  
The Tangipahoa Parish Voluntary Council on Aging  
Amite, Louisiana.

I have audited the general purpose financial statements of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana, as of and for the year ended June 30, 1998, and have issued my report thereon dated August 18, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether The Tangipahoa Parish Voluntary Council on Aging's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, I noted certain immaterial instances of noncompliance that I have reported to the board of directors of The Tangipahoa Parish Voluntary Council on Aging in a separate letter dated August 18, 1998.

## Internal Control Over Financial Reporting

In planning and performing my audit, I considered The Tangipahoa Parish Voluntary Council on Aging's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted a matter involving internal control over financial reporting and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect The Tangipahoa Parish Voluntary Council on Aging's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 98-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I do not consider reportable condition 98-1 referred to above to be a material weakness. I also noted another matter involving the internal control over financial reporting that I have reported to the board of directors of The Tangipahoa Parish Voluntary Council on Aging in a separate letter dated August 18, 1998.

This report is intended for the information of the Council's board of directors, management, federal awarding agencies, the Legislative Auditor of the State of Louisiana, the Capital Area Agency on Aging - District II, Inc., and the Governor's Office of Elderly Affairs. However, this report is a matter of public record and its distribution is not limited.

*Neil B. Fenari, CPA*

Baton Rouge, Louisiana,  
August 18, 1998.

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REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB  
CIRCULAR A-133

To the Board of Directors,  
The Tangipahoa Parish Voluntary Council on Aging  
Amite, Louisiana.

Compliance

I have audited the compliance of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1998. The Tangipahoa Parish Voluntary Council on Aging's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of The Tangipahoa Parish Voluntary Council on Aging's management. My responsibility is to express an opinion on The Tangipahoa Parish Voluntary Council on Aging's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Tangipahoa Parish Voluntary Council on Aging's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of The Tangipahoa Parish Voluntary Council on Aging's compliance with those requirements.

In my opinion, The Tangipahoa Parish Voluntary Council on Aging complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1998.

#### Internal Control Over Compliance

The management of The Tangipahoa Parish Voluntary Council on Aging is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered The Tangipahoa Parish Voluntary Council on Aging's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

I noted a matter involving the internal control over compliance and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in my judgment, could adversely affect The Tangipahoa Parish Voluntary Council on Aging's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 98-1.

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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I do not consider reportable condition 98-1 referred to above to be a material weakness.

This report is intended for the information of the Council's board of directors, management, federal awarding agencies, the Capital Area Agency on Aging - District II, Inc., the Governor's Office of Elderly Affairs, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

*Neil B. Ferrari, CPA*

Baton Rouge, Louisiana,  
August 18, 1998.

## COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS

The Tangipahoa Parish Voluntary Council on Aging  
Amite, Louisiana

June 30, 1998

With Comparative Totals for the Year Ended June 30, 1997

	Governmental Fund Types		Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	General Fixed Assets	General Long-Term Debt	1998	1997
<b>ASSETS AND OTHER DEBITS</b>						
<b>Assets:</b>						
Cash	\$ 88,094	\$ 17,527	\$ 0	\$ 0	\$ 105,621	\$ 112,647
Government grants receivable	0	31,158	0	0	31,158	23,493
Accounts receivable	1,115	5,500	0	0	6,615	6,327
Prepaid expenses	860	0	0	0	860	276
Due from Special Revenue funds	35,514	0	0	0	35,514	28,243
<b>Restricted assets:</b>						
Cash	0	832	0	0	832	676
Accounts receivable	0	851	0	0	851	250
Vehicle purchase deposits	9,478	0	0	0	9,478	32,292
Fixed assets	0	0	232,098	0	232,098	209,667
<b>Other debits:</b>						
Amount to be provided to retire long-term debt	0	0	0	14,086	14,086	9,407
<b>Total assets</b>	<b>\$ 135,061</b>	<b>\$ 55,868</b>	<b>\$ 232,098</b>	<b>\$ 14,086</b>	<b>\$ 437,113</b>	<b>\$ 423,278</b>
<b>LIABILITIES, FUND EQUITY, AND OTHER CREDITS</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 1,686	\$ 3,621	\$ 0	\$ 0	\$ 5,307	\$ 479
Due to General Fund	0	35,514	0	0	35,514	28,243
Deferred income	0	14,250	0	0	14,250	13,808
Accumulated unpaid vacation	0	0	0	14,086	14,086	9,407
<b>Total liabilities</b>	<b>1,686</b>	<b>53,385</b>	<b>0</b>	<b>14,086</b>	<b>69,157</b>	<b>51,937</b>
<b>Fund Equity and Other Credits:</b>						
<b>Fund balances:</b>						
<b>Reserved for:</b>						
Vehicle purchases	9,478	0	0	0	9,478	32,292
Utility assistance	0	1,683	0	0	1,683	926
Prepaid expenditures	860	0	0	0	860	276
Unreserved – undesignated	123,037	800	0	0	123,837	128,180
Investment in general fixed assets	0	0	232,098	0	232,098	209,667
<b>Total fund equity and other credits</b>	<b>133,375</b>	<b>2,483</b>	<b>232,098</b>	<b>0</b>	<b>367,956</b>	<b>371,341</b>
<b>Total liabilities, fund equity and other credits</b>	<b>\$ 135,061</b>	<b>\$ 55,868</b>	<b>\$ 232,098</b>	<b>\$ 14,086</b>	<b>\$ 437,113</b>	<b>\$ 423,278</b>

The accompanying notes are an integral part of this statement.

## COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

## ALL GOVERNMENTAL FUND TYPES

The Tangipahoa Parish Voluntary Council on Aging  
Amite, Louisiana

For the year ended June 30, 1998

With Comparative Totals for the Year Ended June 30, 1997

	General	Special Revenue	Totals (Memorandum Only)	
			1998	1997
<b>REVENUES</b>				
Intergovernmental	\$ 63,852	\$ 447,846	\$ 511,698	\$ 518,452
Public support	29,631	50,931	80,562	80,167
Program service fees	34,311	15,040	49,351	41,499
Interest income	2,304	163	2,467	2,883
Miscellaneous	2,849	0	2,849	3,319
In-kind contributions	50,639	37,461	88,100	87,775
<b>Total revenues</b>	<b>183,586</b>	<b>551,441</b>	<b>735,027</b>	<b>734,095</b>
<b>EXPENDITURES</b>				
Current:				
Salaries	19,796	348,816	368,612	340,285
Fringe	3,114	33,924	37,038	37,882
Travel	4,095	11,255	15,350	19,064
Operating services	5,001	71,269	76,270	75,346
Operating supplies	2,526	25,453	27,979	28,079
Other costs	10,423	13,885	24,308	20,822
Meals	1,351	17,484	18,835	21,687
Full service	0	23,147	23,147	21,618
Capital outlay	50,361	22,035	72,396	37,178
Utility assistance	0	10,808	10,808	12,997
In-kind expenses	50,639	37,461	88,100	87,775
<b>Total expenditures</b>	<b>147,306</b>	<b>615,537</b>	<b>762,843</b>	<b>702,733</b>
<b>Excess of revenues over (under) expenditures</b>	<b>36,280</b>	<b>(64,096)</b>	<b>(27,816)</b>	<b>31,362</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	6,682	258,003	264,685	254,811
Operating transfers out	(72,335)	(192,350)	(264,685)	(254,811)
Proceeds from sale of fixed assets	2,000	0	2,000	850
<b>Excess of revenues and other sources over (under) expenditures and other uses</b>	<b>(27,373)</b>	<b>1,557</b>	<b>(25,816)</b>	<b>32,212</b>
<b>FUND BALANCES</b>				
Beginning of year	160,748	926	161,674	129,462
<b>End of year</b>	<b>\$ 133,375</b>	<b>\$ 2,483</b>	<b>\$ 135,858</b>	<b>\$ 161,674</b>

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 -----  
 BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND TYPE  
 -----

The Tangipahoa Parish Voluntary Council on Aging  
 Amite, Louisiana

For the year ended June 30, 1998

	Budget	Actual	Variance-- Favorable (Unfavorable)
<b>REVENUES</b>			
-----			
Intergovernmental	\$ 75,102	\$ 63,852	\$ (11,250)
Public support	24,500	29,631	5,131
Program service fees	34,071	34,311	240
Interest income	2,121	2,304	183
Miscellaneous	2,610	2,849	239
In-kind contributions	51,789	50,639	(1,150)
	190,193	183,586	(6,607)
<b>EXPENDITURES</b>			
-----			
Current:			
Salaries	20,971	19,796	1,175
Fringe	3,287	3,114	173
Travel	3,897	4,095	(198)
Operating services	5,081	5,001	80
Operating supplies	2,705	2,526	179
Other costs	10,538	10,423	115
Meals	0	1,351	(1,351)
Full service	0	0	0
Capital outlay	41,949	50,361	(8,412)
In-kind expenses	51,789	50,639	1,150
	140,217	147,306	(7,089)
Excess of revenues over(under) expenditures	49,976	36,280	(13,696)
<b>OTHER FINANCING SOURCES (USES)</b>			
-----			
Operating transfers in	0	6,682	6,682
Operating transfers out	(61,822)	(72,335)	(10,513)
Proceeds from sale of fixed assets	0	2,000	2,000
	(61,822)	(67,653)	(6,831)
Excess of revenues and other sources over(under) expenditures and other uses	(11,846)	(27,373)	\$ (15,527)
=====			
<b>FUND BALANCES</b>			
-----			
Beginning of year	160,748	160,748	
	160,748	160,748	
End of year	\$ 148,902	\$ 133,375	
	148,902	133,375	

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 -----  
 BUDGET (GAAP BASIS) AND ACTUAL – SPECIAL REVENUE FUND TYPE  
 -----

The Tangipahoa Parish Voluntary Council on Aging  
 Amite, Louisiana

For the year ended June 30, 1998

	Budget	Actual	Variance – Favorable (Unfavorable)
	-----	-----	-----
<b>REVENUES</b>			
-----			
Intergovernmental	\$ 468,751	\$ 447,846	\$ (20,905)
Public support	52,150	50,931	(1,219)
Program service fees	13,800	15,040	1,240
Interest income	125	163	38
In-kind contributions	37,461	37,461	0
	-----	-----	-----
Total revenues	572,287	551,441	(20,846)
	-----	-----	-----
<b>EXPENDITURES</b>			
-----			
Current:			
Salaries	346,918	348,816	(1,898)
Fringe	40,415	33,924	6,491
Travel	11,852	11,255	597
Operating services	73,566	71,269	2,297
Operating supplies	25,395	25,453	(58)
Other costs	16,693	13,885	2,808
Meals	14,145	17,484	(3,339)
Full service	28,426	23,147	5,279
Capital outlay	22,034	22,035	(1)
Utility assistance	14,171	10,808	3,363
In-kind expenses	37,461	37,461	0
	-----	-----	-----
Total expenditures	631,076	615,537	15,539
	-----	-----	-----
Excess of revenues over (under) expenditures	(58,789)	(64,096)	(5,307)
	-----	-----	-----
<b>OTHER FINANCING SOURCES (USES)</b>			
-----			
Operating transfers in	269,835	258,003	(11,832)
Operating transfers out	(208,013)	(192,350)	15,663
	-----	-----	-----
Excess of revenues and other sources over (under) expenditures and other uses	3,033	1,557	\$ (1,476)
	-----	-----	=====
<b>FUND BALANCES</b>			
-----			
Beginning of year	926	926	
	-----	-----	
End of year	\$ 3,959	\$ 2,483	
	=====	=====	

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

The Tangipahoa Parish Voluntary Council on Aging  
Amite, Louisiana

June 30, 1998

Note 1 - Summary of Significant Accounting Policies

a. Reporting Entity:

In 1964, the State of Louisiana passed Act 456 which authorized the charter of voluntary councils on the 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 Louisiana Governor's Office of Elderly Affairs (GOEA). The Tangipahoa Parish Voluntary Council on Aging (TVCOA) is a non-profit, quasi-public corporation, which must comply with the policies and regulations established by the Louisiana Governor's Office of Elderly Affairs and the State of Louisiana.

The primary function of The Tangipahoa Parish Voluntary 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. Such services include providing meals, nutritional education, information and referral services, homemakers, case management, outreach, telephoning, operating senior centers and transportation. A Board of Directors consisting of 15 voluntary members, who serve three-year terms, governs the Council.

The Tangipahoa Parish Voluntary Council on Aging is not a component unit of another primary government nor does it have any component units which are related to it. The Council has presented its financial statements as a separate special-purpose government.

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

b. Presentation of Statements:

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

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

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 governmental 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, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be

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

c. Fund Accounting: (continued)

spent and the means by which spending activities are controlled. The various funds are grouped in these financial statements into two generic fund types and two broad fund categories (account groups).

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. These 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:

Local

Funds received from various local sources, such as; the Tangipahoa Parish Council, City of Hammond, Town of Kentwood, the United Way, donations from the general public, fund raisers, and interest income earned on unrestricted fund balances have been recorded in the local program of the General Fund. These funds are not restricted to any special use and may be used at the Council's discretion. Expenses which are not chargeable to specific programs because of budget limitations, or because of their nature, are recorded as local program expenditures.

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

c. Fund Accounting: (continued)

● General Fund - (continued)

PCOA

PCOA funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs. The Council may use these "Act 735" funds at its discretion provided the program is benefiting people who are at least 60 years old. In fiscal year 1998, the Council transferred its PCOA funds to the Title IIIB program to help provide extra funds to meet the costs of providing supportive services.

Senior Center Activities

The Council operates senior centers in Hammond, Tickfaw, Amite, Kentwood, Independence, and Ponchatoula. The participants at each of these centers solicit public support and raise funds through activities to help offset the cost of activities that are not paid for through the primary grant to operate senior centers from the Capital Area Agency on Aging - District II, Inc. (CAAA). Examples of the types of activities used to raise these funds include craft sales, ceramic sales, and soft drink sales. There is no restriction on how the net proceeds of these activities are used. The revenues and related expenses for each senior center are maintained in separate accounts within the Council's general ledger.

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

c. Fund Accounting: (continued)

● General Fund - (continued)

Transportation

The Council also provides transportation services to local agencies for a fee. These program service fees and their related costs are accounted for within the transportation program of the General Fund.

● Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments and major capital projects) that are legally restricted to expenditures for specified purposes. Most of the Council's special revenue funds are provided by Capital Area Agency on Aging - District II, Inc. (CAAA). The Title III funds which the Council receives are provided by the United States Department of Health and Human Services - Administration on Aging through the Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council via the CAAA.

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

Title III-B Fund

The Title III B Fund is used to account for funds which are to provide the following variety of supportive services: information and assistance, case management, outreach services, homemaker services, recreation services, telephone services, and transportation for the elderly.

This fund also accounts for the Council's Medicaid program. Medicaid services are another type of supportive service. Under this program 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

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

c. Fund Accounting: (continued)

• Special Revenue Funds - (continued)

Title III-B Fund - (continued)

Hospitals(DHH). The Council also acts as a coordinator of services for people who are home-bound and in need of services similar to those provided in a nursing home. Rather than have the person sent to a nursing home, the Council coordinates necessary services and is paid a fee by Medicaid for performing the case management function.

Title III C-1 Administrative Fund

The Title III C-1 Administrative Fund is used to account for some of the costs of administrating the Special Programs for the Aging which include the Title III and Senior Center programs.

Title III C-1 Fund

The Title III C-1 Fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. During the year the Council provided 42,818 meals to people eligible to participate in this program.

Title III C-2 Fund

The Title III C-2 Fund is used to account for funds which are used to provide nutritional meals to home-bound older persons. During the year the Council provided 68,764 meals, not including meals paid for with FEMA funds, to people eligible to participate in this program.

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

c. Fund Accounting: (continued)

● Special Revenue Funds - (continued)

Title III D Fund

The Title III D Fund is used to account for funds which are used to provide in-home services to the frail, elderly person who is home-bound, 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 F Fund

The Title III F Fund is used to account for funds used for disease prevention and health promotion activities. 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."

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 via the Capital Area Agency on Aging - District II, Inc. 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. All of the operating costs for the senior centers were accounted for within the Title III B Fund. Accordingly, the Senior Center Fund transferred its funds to the Title III B Fund to pay for the costs.

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

c. Fund Accounting: (continued)

• Special Revenue Funds - (continued)

Miscellaneous Grant Fund

The Louisiana Legislature appropriated some special funds for various councils on aging throughout the state for fiscal year 1998. The TVCOA was one of the parish councils to receive a special grant of \$4,500 to be used as supplemental funds to operate its Senior Center and Title III programs. The Governor's Office of Elderly Affairs provided these funds to the Council through CAAA. The money received by this fund during the year was transferred to the Title III B Fund to offset the cost of providing supportive services to participants receiving services at the senior centers.

Audit Fund

The Audit Fund is used primarily to account for funds provided by the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council via the Capital Area Agency on Aging - District II Inc., that are restricted to use as a supplement to pay for the cost of having an annual audit of the Council's financial statements.

FEMA Fund

The FEMA Fund is used to account for the administration of a program which 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 (FEMA) through the United Way of America which in turn "passes through" the funds to the Council. A local board working with the parish's local United Way agency assists TVCOA in obtaining FEMA funds from United Way's national office. During fiscal year 1998, 5,635 additional home delivered meals were provided by the Council using the FEMA funds.

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

c. Fund Accounting: (continued)

• Special Revenue Funds - (continued)

FTA Fund

The FTA Fund is used to account for the acquisition of vehicles purchased in part with federal funds under the Elderly and Disabled Persons Transportation Program. The Louisiana Department of Transportation and Development coordinates the receipt and disbursement of the FTA funds and the required matching funds from the Council. One vehicle was acquired under this program during the fiscal year. The Council has entered into another contract with the Louisiana DOTD to acquire a new van in fiscal year 1999.

Section 5311 Fund

Section 5311 funds are 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 City of Ponchatoula. Funds received by the Council are based on actual operating costs of providing transportation services to rural clients within the parish. As part of calculating the operating costs of this program, the Council may apportion some of the in-kind contributions it receives as allowable transportation expenses. This provision results in the Council receiving cash reimbursement for costs which did not require the Council to spend cash.

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

c. Fund Accounting: (continued)

- Special Revenue Funds - (continued)

Utility Assistance Fund

This fund is used to account for the administration of the utility assistance programs which are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging to provide assistance to the elderly for the payment of utility bills. The council receives its DEMCO donations through the Capital Area Agency on Aging - District II, Inc. Helping Hands and Louisiana Gas donations are provided through the Louisiana Association of Councils on Aging, Inc. (LACOA).

d. 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 two account groups are not "funds".

General Fixed Assets

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

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

d. Account Groups: - (continued)

General Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. The General Long-Term Debt Account Group shows only the measurement of financial position and is not involved with measurement of results of operations.

e. Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds, including the General and Special Revenue 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 (revenues and other financing sources) and decreases (expenditures and other 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 available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for the following: (1) principal and interest on long-term debt are recorded when due, and (2) claims and judgements and compensated absences are recorded as expenditures when paid with expendable available financial resources.

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

f. 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 accounted for through the various due from and due to accounts on the balance sheet. Short-term interfund loans are classified as interfund receivables or payables.

g. Budget Policy:

The Council follows these procedures in establishing the budgetary data which has been presented in Exhibits C and D of these financial statements.

- The Capital Area Agency on Aging - District II Inc., (CAAA) notifies the Council each year as to the funding levels for each program's grant award.
- The City of Ponchatoula also provides funds to the Council via the Section 5311 program administered by the Louisiana Department of Transportation and Development (DOTD). Accordingly, the Council obtains information from DOTD regarding projected funding under the Section 5311 program.
- Revenue projections are also made based on grants from other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- Once the information regarding projected revenues has been obtained, the Council's executive director prepares a proposed budget based on these projections 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 fiscal year.

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

g. Budget Policy: - (continued)

- The adopted budget is forwarded to CAAA for final approval.
- Most budgetary appropriations, particularly those involving funds received from CAAA and GOEA, 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 where the budgetary appropriations will lapse.
- The budget is prepared on a 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. There were two amendments during the fiscal year, the last one being effective May 1, 1998. The budget amendments were approved by the Council's Board of Directors and by CAAA using a similar procedure as the approval of the original budget.
- 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 CAAA, and the Governor's Office of Elderly Affairs for funds received under contracts from these agencies.
- Expenditures cannot legally exceed appropriations on an individual fund level.

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

g. Budget Policy: - (continued)

- 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 activities are not budgeted, particularly if they are deemed to be immaterial by management.

h. Fixed Assets:

Assets which cost at least \$250 and which have an estimated useful life of greater than one year are capitalized as fixed assets. All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. No depreciation has been provided on general fixed assets.

i. Comparative Data:

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

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

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

j. Compensated Absences:

For governmental fund types, the Council's liability for accumulated unpaid vacation has been recorded in the general long-term debt group of accounts. The liability has been determined using the number of vested vacation hours for each employee multiplied by each employee's current wage rate as of June 30, 1998. An amount is added to this total for social security and medicare taxes. Accrued vacation benefits will be paid from future years' resources and will be recorded as fund expenditures in the various governmental funds in the year in which they are paid or become due on demand to terminated employees. The Council's sick leave policy does not provide for the vesting of sick leave where payment would have to be made to a terminated employee for any unused portion.

k. Related Party Transactions:

There were not any related party transactions during the fiscal year.

l. Restricted Assets:

Restricted assets include cash which has been acquired through donations whereby the donor has placed a restriction on how the donation can be used by the Council. There were two types of restricted donations received during the year. One was for utility assistance and the other was for meals. As of June 30, 1998, there remained \$1,683 of unused utility assistance but there was no "Miles for Meals" funds left. All of the "Miles for Meals" funds were used to pay for the costs in the Title III C-1 and C-2 programs this year.

In addition to these restricted assets, a \$9,478 deposit has been made to purchase a van. The deposit represents the Council's share of local matching funds under an FTA contract. The van is expected to be delivered to the Council in fiscal year 1999.

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

l. Restricted Assets: - (continued)

Restricted assets are offset by a corresponding reservation of the Council's fund balance.

m. Reservation and Designations of Fund Balances:

The Council "reserves" portions of its fund balance that are not available for expenditure 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. There were no designated fund balances at June 30, 1998.

n. Management's Use of Estimates:

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

Note 2 - Revenue Recognition - Intergovernmental Grants, Program Service Fees, Interest Income, Public Support, and Miscellaneous Revenues

Intergovernmental grant revenues, program service fees, and interest income are recorded in governmental funds as revenues in the accounting period when they become susceptible to accrual, that is, measurable and available (modified accrual basis). The timing and amounts of the receipts of public support and miscellaneous revenues are difficult to predict; therefore, they are not susceptible to accrual and are recorded as revenue in the period received.

Note 3 - Cash

The Council maintains a consolidated bank account to deposit most of the monies 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 administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds.

Cash is reported at carrying amount which equals its fair value. At June 30, 1998, the carrying amount of the Council's cash balances on the books was \$106,453, including \$250 of petty cash, whereas the related bank balances were \$142,454. The difference in the book and bank balances relates primarily to deposits made and checks written for cash which did not clear the bank accounts by June 30, 1998. At June 30, 1998, all the bank balances were covered 100% by federal depository insurance and have been classified as "Category 1" balances in accordance with GASB Statement 3.

Note 4 - Government Grants Receivable

Government grants receivable represent amounts owed to the Council under a grant award or contract with a provider of federal, state, or local funds; such amounts being measurable and available as of year end.

Government grants receivable, at June 30, 1998, consist of the following:

<u>Program</u>	<u>Provider</u>	<u>Fund</u>	<u>Amount</u>
Title III C-2	City of Amite	Special Revenue	\$ 1,144
Title III D	CAAA	Special Revenue	2,695
Title III F	CAAA	Special Revenue	288
Title III C-1	CAAA	Special Revenue	6,602
Section 5311	LA. DOTD	Special Revenue	<u>20,429</u>
Total			\$31,158 =====

Note 5 - Accounts Receivable

Accounts receivable represent money owed to the Council for providing program services. As of year end this revenue is measurable and available. Accounts receivable consist of the following:

<u>Program</u>	<u>Fund</u>	<u>Amount</u>
Utility Assistance	Special Revenue	\$ 851
Medicaid	Special Revenue	5,500
Transportation	General	<u>1,115</u>
 Total		 \$7,466 =====

Note 6 - Prepaid Expenses

The Council has elected not to expense amounts paid for future services until those services are consumed. The fund balances in the governmental fund types have been reserved for the prepaid expenses recorded in these funds to reflect the amount of fund balance not currently available for expenditure.

Note 7 - Changes in Fixed Assets

A summary of changes in general fixed assets is as follows:

	Balance June 30, <u>1997</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>1998</u>
Vehicles	\$143,308	\$ 67,389	\$(44,494)	\$166,203
Office furniture and equipment	28,213	2,081	(3,470)	26,824
Computer equipment	10,358	-	(2,000)	8,358
Nutrition equipment	21,477	-	-	21,477
Leasehold improvements	2,562	2,925	-	5,487
Exercise equipment	<u>3,749</u>	<u>-</u>	<u>-</u>	<u>3,749</u>
 Totals	 \$209,667	 \$ 72,395	 \$(49,964)	 \$232,098 =====

Donated assets represent \$14,680 of the year end total.

Note 8 - Deferred Income

This account represents funds received but which cannot be recognized as income because (1) the terms of the grant award won't allow revenue recognition until allowable expenditures have been incurred or, (2) an event has not occurred to fulfill a contractual agreement.

The deferred income balance as of June 30, 1998, consisted of the following:

FEMA grant revenue	\$14,250
	=====

Expenses relating to this deferred income will be incurred in fiscal year 1999.

Note 9 - In-Kind Contributions

The Council received \$88,100 in various in-kind contributions during the year which have been valued at their estimated fair market value 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.

The primary in-kind contributions consisted of free rent and utilities relating to the use of facilities in Ponchatoula, Amite, Tickfaw, Hammond, Independence, and Kentwood. The Council also receives a discount on the fuel it purchases from its gasoline supplier.

A summary of the in-kind contributions and their respective assigned values is as follows:

Fuel discounts	\$ 2,708
Facility rental	56,700
Utilities for facilities	17,712
Telephone	600
Janitorial services	7,800
Insurance	1,380
Maintenance and supplies	<u>1,200</u>
Total in-kind contributions	\$88,100
	=====

Note 10 - 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 expenses when traveling on behalf of the Council.

Note 11 - FTA - Public Transportation for Nonurbanized Areas-  
Section 5311

The Council earned and received \$123,007 under the "Section 5311" program. Total rural transportation costs were \$297,392 for the year ended June 30, 1998. These costs were funded as follows:

Section 5311	\$123,007
In-kind contributions	37,461
Title III-B grant funds	50,081
State transportation funds	24,600
Other local and state funds	29,225
Program services fees	23,776
Title III-B participant contributions	5,617
Town of Kentwood	2,400
Public fares	<u>1,225</u>
Total	\$297,392 =====

Note 12 - Income Tax Status

The Council, a non-profit corporation, is exempt from federal income taxes under Section 501 (C) (3) of the Internal Revenue Code of 1986, and as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax.

The Council does not file a Form 990 because it has been determined to be an "affiliate of a governmental unit" within the meaning of Section 4 of Revenue Procedure 95-48, 1995-2 C.B. 418.

Note 13 - Lease and Rental Commitments

The Council has no significant operating or capital leases.

Note 14 - General Long-Term Debt

Long-term liabilities that will be financed from governmental funds are accounted for in the general long-term debt group of accounts. The following is a summary of changes in long-term debt.

	Balance <u>7/01/97</u>	Net Increase (Decrease)	Balance <u>6/30/98</u>
Accumulated unpaid vacation	\$9,407	\$4,679	\$14,086
Total long-term debt	\$9,407 =====	\$4,679 =====	\$14,086 =====

Note 15 - Judgements, Claims, and Similar Contingencies

There is no litigation pending against the Council at June 30, 1998. Furthermore, the Council's management believes that any potential lawsuits would be adequately covered by insurance or resolved without any material impact upon the Council's financial statements.

Note 16 - Federal Award Programs

The Council participates in a number of federal award programs. These programs are audited in accordance with the Single Audit Act Amendments of 1996. 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 to such an extent that they would materially affect the Council's financial position. Any costs that would be disallowed would be recognized in the period agreed upon by the agency and the Council.

Note 17 - Economic Dependency

The Council receives the majority of its revenue from funds provided through grants administered by the Louisiana Department of Transportation (DOTD) and Development, Governor's Office of Elderly Affairs, and the Capital Area Agency on Aging-District II, Inc. 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 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 except that the maximum amount of grant reimbursement under the DOTD grant was reduced to \$88,308 for fiscal year 1999. The Council collected \$123,007 under the DOTD grant in fiscal year 1998.

Note 18 - Interfund Transfers

Operating transfers in and out are listed by fund for 1998:

<u>Transfers from</u>	<u>Transfers Into</u>						<u>Totals</u>
	<u>General Fund</u>	<u>Title III B</u>	<u>Title III C-1</u>	<u>Title III C-1 Admin.</u>	<u>Title III C-2</u>	<u>FEMA</u>	
<u>General Fund:</u>							
PCOA	\$ -	\$ 15,202	\$ -	\$ -	\$ -	\$ -	\$ 15,202
Local	-	39,775	8,161	-	8,397	800	57,133
<b>Total General Fund</b>	<b>-</b>	<b>54,977</b>	<b>8,161</b>	<b>-</b>	<b>8,397</b>	<b>800</b>	<b>72,335</b>
<u>Special Revenue Funds:</u>							
Section 5311	-	122,066	-	-	-	-	122,066
Miscellaneous							
Grant	-	4,500	-	-	-	-	4,500
Audit	-	1,829	-	665	46	-	2,540
Title III D	2,353	-	-	-	-	-	2,353
Title III F	4,329	-	-	-	-	-	4,329
Senior Center	-	56,562	-	-	-	-	56,562
<b>Total Special Funds</b>	<b>6,682</b>	<b>184,957</b>	<b>-</b>	<b>665</b>	<b>46</b>	<b>-</b>	<b>192,350</b>
<b>Total transfers</b>	<b>\$ 6,682</b>	<b>\$239,934</b>	<b>\$8,161</b>	<b>\$ 665</b>	<b>\$8,443</b>	<b>\$ 800</b>	<b>\$264,685</b>
	=====	=====	=====	=====	=====	=====	=====

Note 19 - Interfund Loans

Because the Council operates most of its programs under unit-cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the grant programs. Such advances create short-term interfund loans. A summary of these interfund loans at June 30, 1998, were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 35,514	\$ -
Special Revenue Funds:		
Title III F	-	288
Title III C-1	-	6,602
Title III D	-	2,695
Section 5311	-	20,429
Title III B	-	5,500
	<hr/>	<hr/>
Total special revenue funds	-	35,514
	<hr/>	<hr/>
Total all funds	\$ 35,514	\$ 35,514
	=====	=====

Note 20 - Purchase Commitments

The Council has entered into a separate agreement with the Louisiana Department of Transportation and Development (DOTD) to purchase a new van. The Council is responsible for matching 30% of the purchase price of the van. The Council has remitted the required matching funds (\$9,478) for the van as of June 30, 1998. The van is expected to be delivered in fiscal year 1999.

Note 21 - Risk Management

The Council is exposed to various risks of loss related to torts; theft 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 fiscal year that exceeded the Council's insurance coverage.

SUPPLEMENTARY FINANCIAL INFORMATION

SCHEDULE OF PROGRAM REVENUES, EXPENDITURES, AND CHANGES  
 -----  
 IN FUND BALANCE -- GENERAL FUND  
 -----

The Tangipahoa Parish Voluntary Council on Aging  
 Amite, Louisiana

For the year ended June 30, 1998

Programs of the General Fund  
 -----

	Local	PCOA	Senior Center Activities	Transportation	Total
<b>REVENUES</b> -----					
Intergovernmental:					
Tangipahoa Parish Council	\$ 33,750	\$ 0	\$ 0	\$ 0	\$ 33,750
City of Hammond	12,500	0	0	0	12,500
Town of Kentwood	2,400	0	0	0	2,400
Governor's Office of Elderly Affairs	0	15,202	0	0	15,202
Public support:					0
Tangipahoa Area United Way	19,500	0	0	0	19,500
Miles for Meals fundraiser	9,104	0	0	0	9,104
General public donations	1,027	0	0	0	1,027
Program service fees:					0
Medic Alert unit rentals	8,947	0	0	0	8,947
Sale of meals	1,588	0	0	0	1,588
Transportation services:					0
Phases	0	0	0	360	360
School Board	0	0	0	8,572	8,572
Options	0	0	0	2,020	2,020
Transitions	0	0	0	1,920	1,920
Senior Class	0	0	0	10,904	10,904
Interest income	2,304	0	0	0	2,304
Miscellaneous:					0
Alternate vendor reimbursements	27	0	0	0	27
Sales of ceramics, drinks, etc.	0	0	2,822	0	2,822
In-kind contributions	50,639	0	0	0	50,639
<b>Total revenues</b>	<b>141,786</b>	<b>15,202</b>	<b>2,822</b>	<b>23,776</b>	<b>183,586</b>
<b>EXPENDITURES</b> -----					
Current:					
Salaries	0	0	0	19,796	19,796
Fringe	0	0	0	3,114	3,114
Travel	155	0	0	3,940	4,095
Operating services	310	0	0	4,691	5,001
Operating supplies	0	0	0	2,526	2,526
Other costs	7,945	0	2,478	0	10,423
Meals	1,351	0	0	0	1,351
Capital outlay	50,361	0	0	0	50,361
In-kind expenses	50,639	0	0	0	50,639
<b>Total expenditures</b>	<b>110,761</b>	<b>0</b>	<b>2,478</b>	<b>34,067</b>	<b>147,306</b>
<b>Excess of revenues over(under) expenditures</b>	<b>31,025</b>	<b>15,202</b>	<b>344</b>	<b>(10,291)</b>	<b>36,280</b>

(Schedule 1 is continued on the next page)

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 SCHEDULE OF PROGRAM REVENUES, EXPENDITURES, AND CHANGES  
 -----  
 IN FUND BALANCE – GENERAL FUND  
 -----

The Tangipahoa Parish Voluntary Council on Aging  
 Amite, Louisiana

For the year ended June 30, 1998

	Programs of the General Fund				Total
	Local	PCOA	Senior Center Activities	Transportation	
<b>OTHER FINANCING SOURCES</b>					
-----					
Operating transfers in	6,682	0	0	0	6,682
Operating transfers out	(57,133)	(15,202)	0	0	(72,335)
Proceeds from sale of fixed assets	2,000	0	0	0	2,000
-----					
Excess of revenues and other sources over(under) expenditures and other uses	(17,426)	0	344	(10,291)	(27,373)
<b>FUND BALANCES(DEFICIT)</b>					
-----					
Beginning of year	157,593	0	3,155	0	160,748
-----					
End of year	\$ 140,167	\$ 0	\$ 3,499	\$ (10,291)	\$ 133,375
=====					

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -- SPECIAL REVENUE FUNDS

The Tangipahoa Parish Voluntary Council on Aging  
Arbite, Louisiana

For the year ended June 30, 1998

	Title III C-1										Section 5311	Utility Assistance	Totals	
	Title III B	Adm. Services	Title III C-2	Title III D	Title III F	Senior Center	Misc. Grant	Audit	FEMA	FTA				
<b>REVENUES</b>														
Intergovernmental:														
Capital Area Agency on Aging (CAAA)	\$ 111,462	\$ 25,413	\$ 27,802	\$ 50,497	\$ 4,823	\$ 4,329	\$ 56,562	\$ 4,500	\$ 2,540	\$ 0	\$ 0	\$ 0	\$ 0	\$ 287,928
LA Dept. of Transportation	0	0	0	0	0	0	0	0	0	18,728	123,007	0	0	141,735
United Way of America	0	0	0	0	0	0	0	0	0	13,700	0	0	0	13,700
City of Arbite	0	0	0	4,483	0	0	0	0	0	0	0	0	0	4,483
Public support:														
L P & L Helping Hands (via LACOA)	0	0	0	0	0	0	0	0	0	0	0	10,265	0	10,265
LA Gas Service	0	0	0	0	0	0	0	0	0	0	0	1,158	0	1,158
WST Electric	0	0	0	0	0	0	0	0	0	0	0	142	0	142
Client contributions	5,617	0	21,397	12,352	0	0	0	0	0	0	0	0	0	39,366
Program service fees:														
Medicaid case management	13,815	0	0	0	0	0	0	0	0	0	0	0	0	13,815
Fares	0	0	0	0	0	0	0	0	0	0	1,225	0	0	1,225
Interest income	0	0	0	0	0	0	0	0	0	163	0	0	0	163
In-kind contributions	0	0	0	0	0	0	0	0	0	0	37,461	0	0	37,461
<b>Total revenues</b>	<b>130,894</b>	<b>25,413</b>	<b>49,199</b>	<b>67,332</b>	<b>4,823</b>	<b>4,329</b>	<b>56,562</b>	<b>4,500</b>	<b>2,540</b>	<b>13,863</b>	<b>18,728</b>	<b>11,565</b>	<b>10,808</b>	<b>551,441</b>
<b>EXPENDITURES</b>														
Current:														
Salaries	228,762	15,667	51,849	51,363	0	0	0	0	0	0	0	0	0	348,816
Fringe	22,135	1,468	5,052	5,097	0	0	0	0	0	0	0	0	0	33,924
Travel	8,653	992	171	1,251	0	0	0	0	0	0	188	0	0	11,255
Operating services	56,268	4,862	0	9,687	0	0	0	0	0	0	452	0	0	71,269
Operating supplies	20,750	1,155	288	3,081	0	0	0	0	0	0	179	0	0	25,453
Other costs	8,732	1,438	0	1,245	2,470	0	0	0	0	0	0	0	0	13,885
Meals	0	0	0	3,621	0	0	0	0	0	13,863	0	0	0	17,484
Full service	23,147	0	0	0	0	0	0	0	0	0	0	0	0	23,147
Capital outlay	2,381	496	0	430	0	0	0	0	0	0	18,728	0	0	22,035
Utility assistance	0	0	0	0	0	0	0	0	0	0	0	10,808	0	10,808
In-kind expenses	0	0	0	0	0	0	0	0	0	0	37,461	0	0	37,461
<b>Total expenditures</b>	<b>370,828</b>	<b>26,078</b>	<b>57,360</b>	<b>75,775</b>	<b>2,470</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,863</b>	<b>18,728</b>	<b>39,627</b>	<b>10,808</b>	<b>615,537</b>
Excess of revenues over (under) expenditures	(239,934)	(665)	(8,161)	(8,443)	2,353	4,329	56,562	4,500	2,540	0	0	122,066	757	(64,096)
<b>OTHER FINANCING SOURCES (USES)</b>														
Operating transfers in	239,934	665	8,161	8,443	0	0	0	0	0	800	0	0	0	258,003
Operating transfers out	0	0	0	0	(2,353)	(4,329)	(56,562)	(4,500)	(2,540)	0	0	(122,066)	0	(192,350)
Excess of revenues and other sources over (under) expenditures and other uses	0	0	0	0	0	0	0	0	0	800	0	0	757	1,557
<b>FUND BALANCE (DEFICIT)</b>														
Beginning of year	0	0	0	0	0	0	0	0	0	0	0	0	926	926
End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 800	\$ 0	\$ 0	\$ 1,683	\$ 2,483

SCHEDULE OF PROGRAM EXPENDITURES – BUDGET VERSUS ACTUAL  
 GRANTS PROVIDED BY THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS  
 AND THE CAPITAL AREA AGENCY ON AGING

The Tangipahoa Parish Voluntary Council on Aging  
 Amite, Louisiana

For the year ended June 30, 1998

	Budget	Actual	Variance – Favorable (Unfavorable)
<b>PCOA</b>			
<b>Transfers out to other funds:</b>			
Title III B	\$ 15,202	\$ 15,202	\$ 0
<b>Totals</b>	<b>\$ 15,202</b>	<b>\$ 15,202</b>	<b>\$ 0</b>
<b>TITLE III – B SUPPORTIVE SERVICES</b>			
Salaries	\$ 226,724	\$ 228,762	\$ (2,038)
Fringe	27,080	22,135	4,945
Travel	9,152	8,653	499
Operating services	58,472	56,268	2,204
Operating supplies	20,783	20,750	33
Other costs	9,125	8,732	393
Meals	0	0	0
Full Service	28,426	23,147	5,279
Capital outlay	2,385	2,381	4
<b>Totals</b>	<b>\$ 382,147</b>	<b>\$ 370,828</b>	<b>\$ 11,319</b>
<b>TITLE III C – 1 (ADMINISTRATION)</b>			
Salaries	\$ 16,387	\$ 15,667	\$ 720
Fringe	1,587	1,468	119
Travel	991	992	(1)
Operating services	4,611	4,862	(251)
Operating supplies	1,175	1,155	20
Other costs	1,396	1,438	(42)
Meals	0	0	0
Capital outlay	468	496	(28)
<b>Totals</b>	<b>\$ 26,615</b>	<b>\$ 26,078</b>	<b>\$ 537</b>
<b>TITLE III C – 1 (SERVICES)</b>			
Salaries	\$ 49,075	\$ 51,849	\$ (2,774)
Fringe	4,922	5,052	(130)
Travel	200	171	29
Operating services	0	0	0
Operating supplies	300	288	12
Other costs	0	0	0
Meals	0	0	0
Capital outlay	0	0	0
<b>Totals</b>	<b>\$ 54,497</b>	<b>\$ 57,360</b>	<b>\$ (2,863)</b>

SCHEDULE OF PROGRAM EXPENDITURES -- BUDGET VERSUS ACTUAL  
GRANTS PROVIDED BY THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS  
AND THE CAPITAL AREA AGENCY ON AGING

The Tangipahoa Parish Voluntary Council on Aging  
Amite, Louisiana

For the year ended June 30, 1998

	Budget	Actual	Variance-- Favorable (Unfavorable)
<b>TITLE III C-2</b>			
Salaries	\$ 54,732	\$ 51,363	\$ 3,369
Fringe	6,826	5,097	1,729
Travel	1,509	1,251	258
Operating services	10,483	9,687	796
Operating supplies	3,137	3,081	56
Other costs	1,349	1,245	104
Meals	0	3,621	(3,621)
Capital outlay	453	430	23
Totals	\$ 78,489	\$ 75,775	\$ 2,714
<b>TITLE III D</b>			
Other costs	\$ 4,823	\$ 2,470	\$ 2,353
Transfers out to General Fund	0	2,353	(2,353)
Totals	\$ 4,823	\$ 4,823	\$ 0
<b>TITLE III F</b>			
Transfers out to General Fund	\$ 0	\$ 4,329	\$ (4,329)
Totals	\$ 0	\$ 4,329	\$ (4,329)
<b>SENIOR CENTER</b>			
Transfer out to Title III-B	\$ 56,562	\$ 56,562	\$ 0
Totals	\$ 56,562	\$ 56,562	\$ 0
<b>MISCELLANEOUS GRANT</b>			
Transfer out to Title III-B	\$ 4,500	\$ 4,500	\$ 0
Totals	\$ 4,500	\$ 4,500	\$ 0
<b>AUDIT</b>			
Transfers out to:			
Title III B	\$ 1,829	\$ 1,829	\$ 0
Title III C - Administration	665	665	0
Title III C-2	46	46	0
Totals	\$ 2,540	\$ 2,540	\$ 0

Footnotes:

- The PCOA funds were the only funds directly provided by GOEA.  
The funds for the other programs were provided by GOEA indirectly through the Capital Area Agency on Aging.
- The transfers by the Title III D and Title III F funds to the General Fund represent revenues earned under a unit cost reimbursement contract which were not needed to pay for the costs to provide services in those programs.

COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS  
AND CHANGES IN GENERAL FIXED ASSETS

The Tangipahoa Parish Voluntary Council on Aging  
Amite, Louisiana

For the year ended June 30, 1998

	Balance June 30, 1997	Additions	Deletions	Balance June 30, 1998
<b>General fixed assets:</b>				
Vehicles	\$ 143,308	\$ 67,389	\$ (44,494)	\$ 166,203
Office furniture and equipment	28,213	2,081	(3,470)	26,824
Computer equipment	10,358	0	(2,000)	8,358
Nutrition equipment	21,477	0	0	21,477
Leasehold improvements	2,562	2,925	0	5,487
Exercise equipment	3,749	0	0	3,749
<b>Total general fixed assets</b>	<b>\$ 209,667</b>	<b>\$ 72,395</b>	<b>\$ (49,964)</b>	<b>\$ 232,098</b>
<b>Investment in general fixed assets:</b>				
<b>Property acquired with funds from --</b>				
Local funds and donations	\$ 43,341	\$ 50,361	\$ (29,297)	\$ 64,405
FTA Section 5310	74,360	18,728	(13,599)	79,489
FTA Section 5311	3,572	0	(2,051)	1,521
Title III-B	13,359	2,381	(1,685)	14,055
Title III C-1	35,211	496	(1,402)	34,305
Title III C-2	19,197	429	(116)	19,510
Title III F	6,046	0	0	6,046
Senior Center	13,453	0	(1,764)	11,689
Energy Outreach	987	0	0	987
Title XX	141	0	(50)	91
<b>Total investments in general fixed assets</b>	<b>\$ 209,667</b>	<b>\$ 72,395</b>	<b>\$ (49,964)</b>	<b>\$ 232,098</b>

SCHEDULE OF PRIORITY SERVICES -  
TITLE III, PART B - GRANT FOR SUPPORTIVE SERVICES

The Tangipahoa Parish Voluntary Council on Aging  
Amite, Louisiana

For the Year Ended June 30, 1998

Capital Area Agency of Aging - District II, Inc. (CAAA) is the regional area agency for The Tangipahoa Parish Voluntary Council on Aging. Because of this relationship, CAAA is primarily responsible to the Governor's Office of Elderly Affairs with respect to meeting and reporting the earmarking percentages and requirements prescribed by Title III, Part B. Accordingly, this schedule is not applicable to The Tangipahoa Parish Voluntary Council on Aging.

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Tangipahoa Parish Voluntary Council on Aging  
Amite, Louisiana

For the year ended June 30, 1998

FEDERAL GRANTOR/PASS-THROUGH GRANTORS/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	GRANT YEAR ENDED	PROGRAM OR AWARD AMOUNT	FEDERAL REVENUE RECOGNIZED	FEDERAL EXPENDITURES
<b>Federal Emergency Management Agency</b>					
Passed through the United Way of America:					
Emergency Food & Shelter Program (16-3696-00)	83.523	09/30/98	\$ 14,145	\$ 0	\$ 0
Emergency Food & Shelter Program (15-3696-00)	83.523	09/30/97	13,700	13,700	13,700
Subtotal CFDA #83.523			27,845	13,700	13,700
Totals for The Federal Emergency Management Agency			27,845	13,700	13,700
<b>U.S. Department of Health and Human Services - Administration on Aging</b>					
Passed through the Governor's Office of Elderly Affairs:					
Passed through the Capital Area Agency on Aging - District II, Inc.:					
Special Programs for the Aging - Cluster:					
Title III, Part B - Grants for Supportive Services & Senior Centers	93.044	06/30/98	73,827	73,827	73,827
Title III, Part C-1 - Nutrition Services - Congregate Meals	93.045	06/30/98	51,456	51,456	51,456
Title III, Part C-2 - Nutrition Services - Home Delivered Meals	93.045	06/30/98	28,089	28,089	28,089
Subtotal CFDA #93.045			79,545	79,545	79,545
Title III, Part D - In-Home Services to Frail Older Individuals	93.046	06/30/98	4,099	4,099	4,099
Title III, Part F - Disease Prevention & Health Promotion Services	93.043	06/30/98	3,680	3,680	3,680
Totals for U.S. Department of Health & Human Services - Administration on Aging			161,151	161,151	161,151
<b>U.S. Department of Transportation</b>					
Passed through the Louisiana Department of Transportation & Development:					
FTA - Elderly and Persons with Disabilities Program - Section 5310:					
(Federal project # LA-16-0023)					
(State project # 736-99-0391)					
	20.500	N/A	18,727	18,727	18,727
Subtotal for CFDA #20.500			18,727	18,727	18,727
FTA - Capital Assistance Program - Section 5310:					
(Federal project # LA-16-0024)					
(State project # 736-99-0464)					
	20.513	N/A	22,114	0	0
Subtotal for CFDA #20.513			22,114	0	0
Passed through the Louisiana Department of Transportation & Development & the City of Ponchatoula, Louisiana:					
FTA - Public Transportation for Nonurbanized Areas - Section 5311:					
(Federal project # LA-18-X015)					
(State project # 741-53-0104)					
	20.509	06/30/98	143,411	123,007	123,007
Subtotal for CFDA #20.509			143,411	123,007	123,007
Totals for U.S. Department of Transportation			184,252	141,734	141,734
Total federal grants			\$ 373,248	\$ 316,585	\$ 316,585

The accompanying notes are an integral part of this schedule.

Note A - Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of The Tangipahoa Parish Voluntary Council on Aging and has been prepared using the modified accrual basis of accounting as contemplated under generally accepted accounting principles and which is the same basis of accounting used for presenting the general-purpose financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the general-purpose financial statements.

Note B - The Tangipahoa Parish Voluntary Council on Aging did not pass-through any of its federal awards to a subrecipient during the fiscal year.

Note C - No federal awards were expended in the form of non-cash assistance during the fiscal year.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

The Tangipahoa Parish Voluntary Council on Aging  
Amite, Louisiana

For the year ended June 30, 1998

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of The Tangipahoa Parish Voluntary Council on Aging.
2. One reportable condition was disclosed during the audit of the general purpose financial statements and has been reported in the "Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards." The reportable condition was not considered to be a material weakness.
3. No instances of noncompliance material to the general purpose financial statements of The Tangipahoa Parish Voluntary Council on Aging were disclosed during the audit.
4. One reportable condition disclosed during the audit of the major federal award programs was reported in the "Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133." The reportable condition was not considered to be a material weakness.
5. The auditor's report on compliance for the major federal award programs for The Tangipahoa Parish Voluntary Council on Aging expresses an unqualified opinion.
6. There is one audit finding that is required to be reported in accordance with section 510(a) of OMB Circular A-133. This finding has been discussed in summary form in Part C of this schedule. The details of this finding are presented in Part B of this schedule.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(continued)

**A. SUMMARY OF AUDITOR'S RESULTS - (continued)**

7. The programs tested as major programs are as follows:

U.S. Department of Health and Human Services -  
Administration on Aging/Passed Through the Louisiana  
Governor's Office of Elderly Affairs:

Special Programs for the Aging - Cluster:

- Title III, Part B - Grants for Supportive Services and Senior Centers; CFDA #93.044
- Title III, Part C - Nutrition Services; CFDA #93.045
- Title III, Part D - In-Home Services for Frail Older Individuals; CFDA #93.046, and
- Title III, Part F - Disease Prevention and Health Promotion Services; CFDA #93.043

8. The threshold for distinguishing Types A and B programs was \$300,000.

9. The Tangipahoa Parish Voluntary Council on Aging was determined to be a low-risk auditee.

**B. FINANCIAL STATEMENT FINDINGS**

Reportable Condition

#98-1 - Indirect Costs Are Not Being Allocated to Each Identifiable Program

Condition: Indirect costs are not being allocated to all programs.

Criteria: Indirect costs are those incurred for common or joint purposes benefiting more than one cost objective that cannot be readily assignable to the cost objective specifically benefited. It is the Council's responsibility to prepare a cost allocation plan that will allocate indirect costs in a consistent and equitable manner to all programs, and that will comply with OMB Circular A-87. Internal controls should be in place to (1) guide those employees responsible for preparing and following the cost allocation plan, and (2) require management to verify the plan is being followed.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(continued)

**B. FINANCIAL STATEMENT FINDINGS - (continued)**

**Effect:** The Special Revenue funds are absorbing more indirect costs than the General Fund. Although the amount was not material in my opinion, as other General Fund programs are added, the variance could grow to a significant amount.

**Cause:** The Council has not changed its chart of accounts and cost allocation formula to facilitate the allocation of indirect costs to all programs.

**Perspective:** Last year I recommended that the Council change its chart of accounts to accommodate an indirect cost pool that would provide a means for the Council to allocate indirect costs to each identifiable program. Also, I recommended that the Council determine which programs to include in the indirect cost formula. For example, the Council has begun to provide more transportation services and has established a local transportation program within its General Fund to account for those services. Accordingly, that program should be allocated some indirect costs just like the Title III programs.

**Questioned Costs:** No significant questioned costs were noted and no grant funds were determined to be unearned.

**Recommendation:** I again recommend that the Council make the changes in its accounting system to implement an indirect cost pool and include all programs within the cost allocation formula for fiscal year 1999.

**Management's response:** The Council's director acknowledges and agrees with the description of this finding and recommendation, and intends to correct it during fiscal year 1999.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(continued)

**C. MAJOR FEDERAL AWARD PROGRAM FINDINGS AND QUESTIONED COSTS**

Finding 98-1 noted in section B hereabove is also a reportable condition in internal control over the Council's major federal award programs because the same internal control system is used for all Council activities. There were no questioned costs discovered by me that require reporting in this section. There were no other findings that need to be reported in this section. The major federal programs that are affected by this finding are identified in item 7 of Section A. The description of the condition, criteria, effect, cause, perspective, questioned costs, recommendation, and management's response are the same as described in Section B.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The Tangipahoa Parish Voluntary Council on Aging  
Amite, Louisiana

June 30, 1998

The only findings and recommendations made by the auditor last year were included in a management letter to the Council's board of directors. Here is a summary of the management letter items and related status.

<u>Item</u>	<u>Description/Recommendation</u>	<u>Status</u>
<u>Immaterial Weaknesses in Internal Control</u>		
B	The Council needs to implement an indirect cost pool and include all identifiable programs in the indirect cost allocation formula.	A finding is included in this year's Schedule of Findings and Questioned Costs as reportable condition 98-1. Unresolved.
<u>Immaterial Instances of Noncompliance</u>		
C	Employees should be required to document on their timesheets the actual time they spend for each program service during the day to comply with the requirements of OMB Circular A-87.	This item has been discussed in the current year's management letter as item NC-1. Unresolved.
<u>Other Recommendations</u>		
D	Improve the audit trail for collecting, depositing, and recording C-1 and C-2 contributions for the Hammond Senior Center.	Resolved

# NEIL G. FERRARI

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## MANAGEMENT LETTER

August 18, 1998

To the Board of Directors  
The Tangipahoa Parish Voluntary Council on Aging  
Amite, LA.

I have audited the financial statements of The Tangipahoa Parish Voluntary Council on Aging as of and for the year ended June 30, 1998, and have issued my report thereon dated August 18, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of OMB Circular A-133.

As part of my audit, I also issued a report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards, dated August 18, 1998, and a report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133, dated August 18, 1998.

During the course of the audit, I became aware of a reportable condition. I have discussed this condition (98-1) in the Schedule of Findings and Questioned Costs of this report. The items I am reporting to you in this letter are immaterial weaknesses in internal control and immaterial instances of noncompliance. Although they are immaterial, I believe they deserve your attention. I also offered some oral advice to the Council's director during the audit which is not included in this letter but that she or I can discuss with you if necessary.

## IMMATERIAL WEAKNESSES IN INTERNAL CONTROL

IC-1: Fixed Asset Deletions Should Be Approved By the Board of Directors Before They Are Formally Removed From the Fixed Asset Inventory

The process of deleting fixed assets should include a detailed list of the proposed deletions and the reason for the deletions. The list should be approved by the board of directors before the fixed asset manager can delete any asset from the inventory. The director should follow up to determine that the only assets deleted were the ones that were approved.

## IMMATERIAL INSTANCES OF NONCOMPLIANCE

NC-1: Employee Timesheets Do Not Support Payroll Allocations

OMB Circular A-87 requires that employee timesheets reflect the actual number of hours worked for each program so that the allocation of their payroll costs will be supported by actual events and documentation. This is especially applicable to those employees who work in multiple programs.

Last year I brought this matter to management's attention but the Council continued to allocate employee payroll costs using budgeted percentages instead of how employees actually spent their time. No changes were made to the payroll process to require employees to track their time in detail.

There are some factors that have reduced the risk of material errors occurring that could result in the Council having to give money back to CAAA for disallowed costs associated with federal award programs. Those factors are (1) the Council's federal and state grant funds are earned primarily from providing units of service at predetermined rates instead of being based on actual operating costs and (2) the budget percentages used for payroll allocations are a product of many years of experience in knowing the approximate amount of time each employee spends for program services during the day. In other words, had actual time been documented and compiled by employees, I don't think the actual percentages would differ from the budgeted percentages very much.

Nevertheless, the Council is supposed to comply with OMB A-87 and it is not. Accordingly, I again recommend that steps be taken to implement the timesheet requirement in fiscal year 1999.

IMMATERIAL INSTANCES OF NONCOMPLIANCE - (continued)

NC-2: Persons Receiving Home Delivered Meals May Not Be Eligible

I selected 25 files to review to determine if the participant qualified for services under either the Title III C-1 or Title III C-2 programs. One instance was noted where a person who was receiving a home delivered meal was not eligible to receive services under the Title III C-2 program. There were a few other instances where the paperwork in the participant's file left me uncertain as to the person's eligibility for services. The director had to follow up on these cases to let me know if the people were eligible or not. Only one person was noted as not being eligible as I have already mentioned.

The point I want to make is that it is important that eligibility be clearly determinable from the information in the participant's file. Neither the director or I should have to spend the extra time to follow up on the person's eligibility. There is a reassessment process that has to occur for each person receiving a home delivered meal. It is important that the person doing the reassessment understand what is involved in documenting the reassessment so that a proper conclusion can be reached about whether or not the participant should continue to receive services.

I recommend the director review the eligibility criteria with all staff associated with deciding who can receive services. Spot checks of client files should be made by the director to verify if the process is functioning as intended. Based on my audit results, I recommend that the Independence/Tickfaw participant files be checked first.

I recommend management address the foregoing issues as an improvement to operations and the administration of public programs. I am available to further explain these matters or to help implement recommendations.

Sincerely,

*Neil G. Ferrari, CPA*

Neil G. Ferrari  
Certified Public Accountant

MANAGEMENT'S CORRECTIVE ACTION PLAN

The Tangipahoa Parish Voluntary Council on Aging  
Amite, Louisiana

June 30, 1998

To the following oversight agencies for audit:

Federal: U.S. Department of Health and Human Services -  
Administration on Aging.

State: Legislative Auditor of the State of Louisiana; and  
Governor's Office of Elderly Affairs; and Capital Area  
Agency on Aging - District II, Inc.

The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana,  
respectfully submits the following corrective action plan for the  
year ended June 30, 1998.

Name and address of independent public accounting firm: Neil G.  
Ferrari, CPA, 14481 Old Hammond Highway, Suite 4, Baton Rouge,  
Louisiana, 70816.

Audit period: For the year ended June 30, 1998.

The findings from the June 30, 1998 Schedule of Findings and  
Questioned Costs are discussed below. The findings are numbered  
consistently with the numbers assigned in the schedule. Section A  
of the Schedule of Findings and Questioned Costs, Summary of Audit  
Results, does not include and findings and is not addressed in this  
corrective action plan.

**B. FINANCIAL STATEMENT FINDINGS**

REPORTABLE CONDITION

Finding 98-1: Indirect Costs Are Not Being Allocated to Each  
Identifiable Program

Recommendation: The auditor recommended that the Council make  
changes in its accounting system to implement  
an indirect cost pool and include all programs  
within the cost allocation formula for fiscal  
year 1999.

MANAGEMENT'S CORRECTIVE ACTION PLAN - (continued)

**B. FINANCIAL STATEMENT FINDINGS - (continued)**

REPORTABLE CONDITION - (continued)

Management's

Action:

The demands placed upon the Council's staff due to expansion of services in fiscal year 1998 diverted manpower away from attending to the cost allocation deficiency noted by the auditor in last year's audit. Further, our staff did not have certain technical knowledge to fully implement the auditor's recommendations. Accordingly, management has requested the auditor assist our staff with correcting the condition and training them on how to procedurally allocate indirect costs better each month.

**C. MAJOR FEDERAL AWARD PROGRAM FINDINGS AND QUESTIONED COSTS**

The finding, recommendation, and action taken that was described for finding 98-1 also applies for this section.

**D. MANAGEMENT LETTER FINDINGS AND RECOMMENDATIONS**

IMMATERIAL WEAKNESSES IN INTERNAL CONTROL

IC-1: Fixed Asset Deletions Should Be Approved By the Board of Directors Before They Are Formally Removed From the Fixed Asset Inventory

Management's

Action:

Although the current year fixed asset deletions were approved by the Council's director, submitting a list of the deletions to the board of directors is a good means of keeping them informed about the age of the Council's fixed assets and the need to replace them. Accordingly, the recommendation of the auditor will be implemented in the next fiscal year.

MANAGEMENT'S CORRECTIVE ACTION PLAN - (continued)

D. MANAGEMENT LETTER FINDINGS AND RECOMMENDATIONS

IMMATERIAL INSTANCES OF NONCOMPLIANCE

NC-1: Employee Timesheets Do Not Support Payroll Allocations

Management's  
Action:

There are less than five employees who work in multiple programs on a consistent basis. All other employees are assigned to a specific program because their work is the same each day. The employees who work in multiple programs have now been instructed to document the actual time they work for each program on their timesheets. The payroll clerk has also been instructed to allocate these employees' hours based on actual results and not to use the budget percentages.

NC-2: Persons Receiving Home Delivered Meals May Not Be Eligible

Management's  
Action:

Management recognizes the need to document the eligibility of its clients who receive meals in the Title III C-1 and Title III C-2 programs. The persons responsible for documenting eligibility will be instructed on what is expected and management will follow up periodically to verify improvement has been made to satisfy required documentation. Particular attention will be given to the Independence and Tickfaw locations.

If you have any questions regarding this plan, please call Debi Fleming at (504)748-7486.