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Financial Report

**East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana**

June 30, 1999

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

Release Date DEC 01 1999

TABLE OF CONTENTS

Financial Report

East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana

June 30, 1999

1.	INDEPENDENT AUDITOR'S REPORT	1
2.	REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	3
3.	REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	5
4.	GENERAL PURPOSE FINANCIAL STATEMENTS:	
	◆ Combined Balance Sheet - All Fund Types and Account Groups	7
	◆ Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	9
	◆ Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General Fund Type	10
	◆ Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Special Revenue Fund Type	11
	◆ Notes to Financial Statements	12
5.	SUPPLEMENTARY FINANCIAL INFORMATION:	
	◆ Schedule 1 - Schedule of Program Revenues, Expenditures, and Changes in Fund Balance - General Fund	46
	◆ Schedule 2 - Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Special Revenue Funds	48
	◆ Schedule 3 - Schedule of Program Expenditures - Budget vs. Actual - Contracts and Grants Provided Through the Governor's Office of Elderly Affairs (GOEA)	49

5.	SUPPLEMENTARY FINANCIAL INFORMATION: - (continued)	
◆	Schedule 4 - Schedule of Priority Services - Title III, Part B - Contract for Supportive Services	52
◆	Schedule 5 - Comparative Schedule of General Fixed Assets and Changes in General Fixed Assets	53
◆	Schedule 6 - Schedule of Expenditures of Federal Awards	54
◆	Schedule 7 - Schedule of RSVP Activity	55
◆	Schedule 8 - Disclosure About the Year 2000 Issue .	56
6.	SCHEDULE OF FINDINGS AND QUESTIONED COSTS	58
7.	SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	60
8.	MANAGEMENT LETTER	61
9.	MANAGEMENT'S CORRECTIVE ACTION PLAN	63

NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT

14481 OLD HAMMOND HIGHWAY, SUITE 4
BATON ROUGE, LOUISIANA 70816

MEMBER OF THE
SOCIETY OF LOUISIANA CPAs

MEMBER OF THE
AMERICAN INSTITUTE OF CPAs

PHONE (504) 272-1177

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana.

I have audited the accompanying general purpose financial statements of the East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana, as of and for the year ended June 30, 1999, 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 the 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 East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana, as of June 30, 1999, 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 dated October 28, 1999, on my consideration of the East Baton Rouge Council on Aging, Inc.'s internal control over financial reporting and on 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 taken as a whole. The accompanying schedules 1 through 5, listed in the table of contents as supplementary information, are presented for purposes of additional analysis as required by the Governor's Office of Elderly Affairs and are 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. The accompanying schedule of RSVP activity is presented for purposes of additional analysis and is also not a required part of the general purpose financial statements. The information in Schedules 1 through 7 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. The disclosure about the Year 2000 issue in Schedule 8 of the supplementary information is not a required part of the general purpose financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it. In addition, I do not provide assurance that East Baton Rouge Council on Aging, Inc. is or will become year 2000 compliant, that East Baton Rouge Council on Aging, Inc.'s year 2000 remediation efforts will be successful in whole or in part, or that parties with which East Baton Rouge Council on Aging, Inc. does business are or will be come year 2000 compliant.

Neil B. Fenari, CPA

Baton Rouge, Louisiana,
October 28, 1999.

NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT

14481 OLD HAMMOND HIGHWAY, SUITE 4
BATON ROUGE, LOUISIANA 70816

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PHONE (504) 272-1177

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,
East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana.

I have audited the general purpose financial statements of the East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana, as of and for the year ended June 30, 1999, and have issued my report thereon dated October 28, 1999. 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 East Baton Rouge Council on Aging, Inc.'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, which I have reported to the management of the East Baton Rouge Council on Aging, Inc. in a separate letter dated October 28, 1999.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the East Baton Rouge Council on Aging, Inc.'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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the Council's board of directors, management, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Neil A. Ferrari, CPA

Baton Rouge, Louisiana,
October 28, 1999.

NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT

144B1 OLD HAMMOND HIGHWAY, SUITE 4
BATON ROUGE, LOUISIANA 70816

MEMBER OF THE
SOCIETY OF LOUISIANA CPAs

MEMBER OF THE
AMERICAN INSTITUTE OF CPAs

PHONE (504) 272-1177

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,
East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana.

Compliance

I have audited the compliance of the East Baton Rouge Council on Aging, Inc., Baton Rouge, 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, 1999. The East Baton Rouge Council on Aging, Inc.'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 East Baton Rouge Council on Aging, Inc.'s management. My responsibility is to express an opinion on the East Baton Rouge Council on Aging, Inc.'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 East Baton Rouge Council on Aging, Inc.'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 East Baton Rouge Council on Aging, Inc.'s compliance with those requirements.

In my opinion, the East Baton Rouge Council on Aging, Inc. 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, 1999.

Internal Control Over Compliance

The management of the East Baton Rouge Council on Aging, Inc. 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 East Baton Rouge Council on Aging, Inc.'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.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that 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. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the Council's board of directors, management, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Baton Rouge, Louisiana,
October 28, 1999.

Neil B. Ferrari, CPA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

	Governmental Fund Types		Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	General Fixed Assets	General Long-Term Debt	1999	1998
ASSETS AND OTHER DEBITS						
Assets:						
Cash and investments	\$ 493,313	\$ 102,244	\$ 0	\$ 0	\$ 595,557	\$ 590,272
Government grants and contracts receivable	0	7,768	0	0	7,768	15,027
Accounts and other receivables	47,660	0	0	0	47,660	40,730
Prepaid expenses	7,529	3,427	0	0	10,956	5,331
Inventory - food/supplies, at cost	10,523	0	0	0	10,523	11,631
Inventory - Wellness resource materials, at cost	6,674	0	0	0	6,674	6,904
Deposit-Workman's compensation insurance	5,500	0	0	0	5,500	5,500
Other	42	0	0	0	42	36
Restricted assets:						
Cash and investments	10,222	0	0	0	10,222	62,026
Due from Special Revenue Fund	2,605	0	0	0	2,605	1,169
Trademark and copyright - Wellness Partners	17,388	0	0	0	17,388	24,378
Fixed assets	0	0	449,776	0	449,776	714,791
Other debits:						
Amount to be provided to retire long-term debt	0	0	0	138,639	138,639	156,504
Total assets and other debits	\$ 601,456	\$ 113,439	\$ 449,776	\$ 138,639	\$ 1,303,310	\$ 1,634,299

(Exhibit A continued on next page)

The accompanying notes are an integral part of this statement.

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA**

**Exhibit A
(continued)**

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

**June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998**

	Governmental Fund Types		Account Groups			Totals (Memorandum Only)	
	General	Special Revenue	General Fixed Assets	General Long-Term Debt	1999	1998	
LIABILITIES, FUND EQUITY, AND OTHER CREDITS							
Liabilities:							
Advances from funding agencies	\$ 0	\$ 23,839	\$ 0	\$ 0	\$ 23,839	\$ 18,110	
Deposit and escrow accounts:							
Sale of land	0	0	0	0	0	17,000	
Other	2,444	0	0	0	2,444	3,825	
Unearned program service fees	0	0	0	0	0	474	
Due to General Fund	0	2,605	0	0	2,605	1,169	
Accumulated unpaid vacation	0	0	0	98,912	98,912	85,578	
Capital lease obligations payable	0	0	0	39,727	39,727	70,926	
Total liabilities	2,444	26,444	0	138,639	167,527	197,082	
Fund Equity and Other Credits:							
Fund balances:							
Reserved for:							
Restricted donations	10,222	0	0	0	10,222	8,831	
Utility assistance	0	68,911	0	0	68,911	53,195	
Prepaid expenditures	7,529	0	0	0	7,529	5,331	
Deposit - workman's compensation insurance inventory	5,500	0	0	0	5,500	5,500	
Trademark and copyright	17,197	0	0	0	17,197	18,535	
Unreserved - undesignated	17,388	0	0	0	17,388	24,378	
Investment in general fixed assets	541,176	18,084	0	0	559,260	606,656	
Total fund equity and other credits	599,012	86,995	449,776	0	1,135,783	1,437,217	
Total liabilities, fund equity and other credits	\$ 601,456	\$ 113,439	\$ 449,776	\$ 138,639	\$ 1,303,310	\$ 1,634,299	

The accompanying notes are an integral part of this statement.

EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA

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

For the year ended June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

	General	Special Revenue	Totals (Memorandum Only)	
			1999	1998
REVENUES				
Intergovernmental	\$ 775,193	\$ 1,416,797	\$ 2,191,990	\$ 2,131,147
Program service fees	199,692	0	199,692	458,112
Public support:				
Unrestricted	15,034	0	15,034	5,492
Restricted	12,341	145,173	157,514	147,818
Interest income	29,036	0	29,036	25,627
Special events	17,353	0	17,353	17,057
Miscellaneous	81,357	0	81,357	89,238
In-kind contributions	93,646	266,441	360,087	295,284
Total revenues	1,223,652	1,828,411	3,052,063	3,169,775
EXPENDITURES				
Current:				
Salaries & wages	674,983	922,026	1,597,009	1,585,906
Fringe	88,742	127,948	216,690	227,214
Travel	19,942	36,187	56,129	53,250
Operating services	205,157	117,310	322,467	327,296
Operating supplies	26,794	21,018	47,812	52,063
Other costs	59,616	18,091	77,707	120,523
Full service	0	10,549	10,549	10,076
Meals	11,913	272,461	284,374	274,536
Capital outlay	49,503	0	49,503	25,645
Utility assistance	0	43,043	43,043	42,191
Subgrantee	0	70,000	70,000	48,868
Debt service:				
Principal retirement	31,199	0	31,199	33,095
Interest expense	7,913	0	7,913	11,204
In-kind expenditures	93,646	266,441	360,087	295,284
Total expenditures	1,269,408	1,905,074	3,174,482	3,107,151
Excess of revenues over (under) expenditures	(45,756)	(76,663)	(122,419)	62,624
OTHER FINANCING SOURCES (USES)				
Operating transfers in	573,531	335,082	908,613	738,668
Operating transfers out	(666,933)	(241,680)	(908,613)	(738,668)
Proceeds from sale of land	86,000	0	86,000	0
Proceeds from capital lease obligation	0	0	0	12,589
Excess of revenues and other sources over (under) expenditures and other uses	(53,158)	16,739	(36,419)	75,213
FUND BALANCES				
Beginning of year	652,170	70,256	722,426	647,213
End of year	\$ 599,012	\$ 86,995	\$ 686,007	\$ 722,426

The accompanying notes are an integral part of this statement.

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA**

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

For the year ended June 30, 1999

	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES			
Intergovernmental	\$ 768,644	\$ 775,193	\$ 6,549
Program service fees	184,998	199,692	14,694
Public support	34,229	27,375	(6,854)
Interest income	29,520	29,036	(484)
Special events	15,000	17,353	2,353
Miscellaneous	84,145	81,357	(2,788)
In-kind contributions	93,669	93,646	(23)
	<u>1,210,205</u>	<u>1,223,652</u>	<u>13,447</u>
EXPENDITURES			
Current:			
Salaries & wages	677,248	674,983	2,265
Fringe	95,867	88,742	7,125
Travel	24,998	19,942	5,056
Operating services	239,778	205,157	34,621
Operating supplies	32,833	26,794	6,039
Other costs	25,508	59,616	(34,108)
Meals	10,480	11,913	(1,433)
Capital outlay	50,000	49,503	497
Debt service	30,000	39,112	(9,112)
In-kind expenditures	93,669	93,646	23
	<u>1,280,381</u>	<u>1,269,408</u>	<u>10,973</u>
Excess of revenues over (under) expenditures	(70,176)	(45,756)	24,420
OTHER FINANCING SOURCES (USES)			
Operating transfers in	0	573,531	573,531
Operating transfers out	(66,958)	(666,933)	(599,975)
Proceeds from sales of land	86,000	86,000	0
	<u>86,000</u>	<u>86,000</u>	<u>0</u>
Excess of revenues and other sources over (under) expenditures and other uses	(51,134)	(53,158)	<u>\$ (2,024)</u>
FUND BALANCE			
Beginning of year	<u>652,170</u>	<u>652,170</u>	
End of year	<u>\$ 601,036</u>	<u>\$ 599,012</u>	

The accompanying notes are an integral part of this statement.

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA**

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

For the year ended June 30, 1999

	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES			
Intergovernmental	\$ 1,409,499	\$ 1,416,797	\$ 7,298
Public support	133,164	145,173	12,009
In-kind contributions	283,988	266,441	(17,547)
	1,826,651	1,828,411	1,760
EXPENDITURES			
Current:			
Salaries & wages	912,493	922,026	(9,533)
Fringe	128,055	127,948	107
Travel	31,669	36,187	(4,518)
Operating services	115,527	117,310	(1,783)
Operating supplies	18,276	21,018	(2,742)
Other costs	14,124	18,091	(3,967)
Full service	10,549	10,549	0
Meals	255,020	272,461	(17,441)
Utility assistance	55,000	43,043	11,957
Subgrantee	70,000	70,000	0
In-kind expenditures	283,988	266,441	17,547
	1,894,701	1,905,074	(10,373)
Excess of revenues over (under) expenditures	(68,050)	(76,663)	(8,613)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	297,290	335,082	37,792
Operating transfers out	(230,332)	(241,680)	(11,348)
Excess of revenues and other sources over (under) expenditures and other uses	(1,092)	16,739	<u>\$ 17,831</u>
FUND BALANCE			
Beginning of year	70,256	70,256	
End of year	<u>\$ 69,164</u>	<u>\$ 86,995</u>	

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana

June 30, 1999

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 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. The East Baton Rouge Council on Aging, Inc. is a non-profit, quasi-public corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the Council with most of its revenues. Other entities that provide the Council with federal, state, or local funds may impose some additional requirements.

The primary function of the East Baton Rouge Council on Aging, Inc. 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 congregate and home delivered meals, health care services, nutritional education, information and referral, legal assistance, homemaker services, operating senior centers, discount services, and outreach. A Board of Directors, consisting of 11 voluntary members who serve three-year terms, governs the Council.

Before January 1, 1992, the Council operated as part of the City of Baton Rouge. Effective January 1, 1992, the Council began operating as a stand-alone entity, responsible for managing all of its affairs. It 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 presented its financial statements as a separate special-purpose government.

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

b. Basis of Presentation for the Financial 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 VIII - 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 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 spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types and two broad fund categories (account groups).

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

c. Fund Accounting: - (continued)

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 discretionary funds are accounted for and reported according to the source (federal, state or local) from which they are derived. In addition, the servicing of general long-term debt is accounted for in the General Fund because unrestricted resources are used to pay for the liabilities incurred by this fund and there are no legal mandates to use a debt service fund.

The following programs comprise the Council's General Fund:

Local

The Council sponsors a variety of programs to serve its elderly clientele as part of the local component of the General Fund. Some of the more significant programs are as follows:

- ◆ The Council collects donations for fans and blankets and distributes these items to senior citizens.
- ◆ The Council operates a Senior Net Learning Center where computer classes are held for the purposes of training and enhancing the computer skills of senior citizens.

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

c. Fund Accounting: - (continued)

◆ General Fund - (continued)

Local - (continued)

- ◆ The Council sponsors special activities for senior citizens such as an annual fishing rodeo, an Easter party, a Christmas party, and tea dances.
- ◆ The Council provides health screening services and flu shots to enable senior citizens to prevent or detect health problems.
- ◆ The Council provides a consignment store, called the Crafts of Distinction, to enable senior citizens to market their crafts.
- ◆ The Council provides medical alert services, which are monitored by the Louisiana Association of Council's on Aging.
- ◆ The Council has a photo print shop, where a special copier is used to make image-screened T-shirts and caps for sale and for Council events.
- ◆ The Council sponsors "Sky School", where professional counselors receive continuing education credits by down linking live speakers from the University of Arkansas at Little Rock.

Local funds are also provided as transfers to other programs in cases where costs have exceeded revenues. In addition, fixed asset additions are usually paid for with local funds.

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 (GOEA). The Council may use these "Act 735" funds at its discretion provided the program is benefitting people who are at least 60 years old. During fiscal year 1999, all PCOA funds were used to supplement Title III programs.

Grande Aid

The Council is a licensed home health agency and is certified by Medicare and Medicaid. The Council has developed a program called Grande Aid to provide skilled nursing health care to home-bound persons. Anyone who has a doctor's prescription for home health care services and who is eligible to receive this service under Medicare and Medicaid guidelines is a candidate for the Council's Grande Aid services. During the year the Council provided 1,166 units of service under this program to 14 people.

Public Relations

The Council uses its public relations program to inform and educate the community about the Council's services and programs. Some of the specific services provided under this program are as follows:

- ◆ The Council's newspaper, "The Platinum Record", is published and distributed monthly to approximately 18,900 homes in East Baton Rouge Parish to inform readers about the Council's activities and provide information to help elderly people.

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

c. Fund Accounting: - (continued)

◆ General Fund - (continued)

Public Relations - (continued)

- ◆ The Council sponsors an annual "Ageless Expo" to provide information about the community resources available for the elderly.

Medicaid Services

The Council provides case management and personal care services to home-bound people who have been selected by Medicaid to receive benefits under the Elderly and Disabled Medicare Waiver program.

As case manager, the Council 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 the services and is paid a fee of \$99 per month by Medicaid to perform the case management function. During this fiscal year the Council provided 1,632 units of case management services to 32 people.

As a personal care provider, the Council is able to provide personal care services to people who ordinarily would not be eligible to receive the services as paid Medicaid benefits. During the year the Council provided 4,330 units of service to three clients.

The Council also provided another Medicaid service by completing enrollment applications for people wanting to apply for Medicaid services. The Council was paid \$14 per application it completed. During this fiscal year the Council completed 69 applications.

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

c. Fund Accounting: - (continued)

◆ General Fund - (continued)

Grande Meals

Grande Meals include congregate meals sold to organizations, guest meals sold at C-1 congregate meal sites, and meals delivered to the homes of persons who are homebound and willing to pay the full cost of the meal. Any revenues in excess of expenditures to operate this program are transferred, as needed, to the Title III C-1 and C-2 programs to subsidize their costs of providing meals.

Assessments and Case Management

The Council performs health assessment and case management services for elderly people for certain corporations and receives a fee for these services.

Wellness Partners

During FY 97, the Council acquired an inventory of resource materials designed to be used to provide preventive health services to the elderly as described in Title III, Part F of the Older Americans Act of 1965 as amended October, 1992. The Council is marketing its services and these materials to other councils on aging and to businesses.

Geriatric Fitness

The geriatric fitness program is designed to provide participating seniors with a comprehensive health screening and with individualized programs for nutrition and fitness training.

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

c. Fund Accounting: - (continued)

◆ General Fund - (continued)

Local Transportation(FISH)

The local transportation program uses volunteers to provide transportation to medical and social service facilities for needy citizens of any age who cannot get this type of help from other agencies. Previously, these services were provided by another local non-profit agency called FISH of Baton Rouge which merged with the Council on Aging on October 1, 1997.

◆ 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 GOEA. The Title III funds 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.

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 a variety of supportive social services; such as, information and assistance, access services, in-home services, community services, legal assistance, and outreach for people age 60 and older.

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

c. Fund Accounting: - (continued)

◆ Special Revenue Funds - (continued)

Title III C Area Agency Administration-
(AAA) Fund

The Title III C Area Agency Administration (AAA) Fund is used to account for some of the administrative costs associated with operating the Special Programs for the Aging.

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. The Council maintains 17 meals sites in East Baton Rouge Parish. During the year, the Council served 89,441 congregate meals to people eligible to participate in this program.

Title III C-2 Fund

Title III C-2 Fund is used to account for funds which are used to provide nutritional, home-delivered meals to home-bound older persons. During the year, the Council served 76,160 home delivered meals to people eligible to participate in this program.

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 and 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. During the year, the Council provided 392 units of service, including personal care, bathing, grooming, dressing and shaving to 8 clients.

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

c. Fund Accounting: - (continued)

◆ Special Revenue Funds - (continued)

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 under served and in which there are a large number of older individuals who have the greatest economic and social need." During the year, the Council provided 11,769 units of service consisting of recreational exercise, general recreation, and nutritional counseling to 853 clients.

U.S.D.A. Fund

The U.S.D.A. Fund is used to account for the administration of Nutrition Program for the Elderly funds provided by the United States Department of Agriculture through the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program reimburses the service provider about 56 cents for each congregate and home-delivered meal served to an eligible participant so that United States food and commodities may be purchased to supplement these programs.

Audit Fund

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

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

c. Fund Accounting: - (continued)

◆ Special Revenue Funds - (continued)

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 4 senior centers in East Baton Rouge Parish, Louisiana.

Supplemental Senior Center Fund

The Louisiana Legislature appropriated additional money for various councils on aging throughout the state to be used to supplement the primary state grant for senior centers. The East Baton Rouge Council on Aging, Inc. was one of the parish councils to receive a supplemental grant. These funds are "passed through" the Governor's Office of Elderly Affairs.

The supplemental senior center grant received by the Council from the Louisiana Legislature specified that \$70,000 was to be passed through to Serenity 67, subject to the oversight of the Council. Serenity 67 is a nonprofit 501(c)(3) community service organization designed to assist the citizens of District 67 and the surrounding areas to experience a more positive community life.

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

c. Fund Accounting: - (continued)

◆ Special Revenue Funds - (continued)

Retired Senior Volunteers Program (RSVP) Fund

The Retired Senior Volunteer Program Fund is used to account for federal funds which are provided directly by The Corporation for National and Community Service (CNCS) and state funds which are provided directly by the Governor's Office of Elderly Affairs to pay for expenses incurred by senior citizens, age 55 and over, who have volunteered their time to assist non-profit and governmental entities in East Baton Rouge Parish, Louisiana. During the grant year ending December 31, 1998, 74,376 hours of volunteer service were provided through RSVP.

RAPP Fund

RAPP(Relatives as Parents Program) is a first-time grant provided to the Council by the Brooksdale Foundation, which is developing a Grandparents Resource Center for the State of Louisiana. The Council provides educational seminars for grandparents who are raising their grandchildren.

Utility Assistance Fund

The Utility Assistance Fund is used to account for the administration of programs that are sponsored by local utility companies. Entergy and DEMCO collect contributions from service customers and employees and remit the funds directly to the Council. These funds are used to provide financial assistance to the elderly for the payment of their utility bills.

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".

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

d. Account Groups: - (continued)

General Fixed Assets

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

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. Principal and interest payments on long-term liabilities (bank loans and capital lease obligations) are accounted for in the General Fund because the Council intends to use unrestricted resources to pay them and no legal mandate exists to establish a debt service fund.

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.

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

e. Basis of Accounting: - (continued)

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.

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

g. Budget Policy:

The Council used the following procedures to derive the budgetary data which has been presented in Exhibits C and D of these financial statements:

- ◆ The Governor's Office of Elderly Affairs (GOEA) notifies the Council each year as to the funding levels for each program's grant award. GOEA awards funds using the same fiscal year as the Council, except for the RSVP program award, which is on a calendar year.

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

g. Budget Policy: - (continued)

- ◆ The City of Baton Rouge notifies the Council each year as to the amount included in the City's budget for the Council. Because the City of Baton Rouge operates on a calendar year, its fiscal year will overlap the Council's fiscal year. Accordingly, the Council's management can predict with reasonable accuracy how much money the Council will have available for the first six months of its fiscal year. Management estimates the City's allocation for the last six months of the Council's fiscal year until the City notifies the Council of the exact allocation. Management will then incorporate the actual allocation amount into the Council's amended budget. Funds received from the City of Baton Rouge are unrestricted as to use by the Council on Aging.
- ◆ The Council may also obtain grants from agencies other than GOEA and the City of Baton Rouge, and the Council considers the potential revenues to be earned under those grants.
- ◆ Projections are made of revenues from other sources based on past trends and data available to form expectations of future revenues.
- ◆ The Council's financial and compliance officers prepare a proposed budget based on the expected funding levels and then submit the budget to the Chief Executive Officer and 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 final for its final approval.

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

g. Budget Policy: - (continued)

- ◆ All budgetary appropriations for grants awarded the Council by GOEA lapse at the end of each fiscal year (June 30), except for the grant for the RSVP program. Both the grant award from GOEA and the grant award from The Corporation for National and Community Service for the RSVP program lapse at December 31. 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 appropriation 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, which must also be adopted by the Board of Directors and approved by GOEA. There were two amendments during the year. The final amendment was effective May 18, 1999.
- ◆ Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- ◆ The Council may transfer funds between line items as often as required but must obtain prior approval from the Governor's Office of Elderly Affairs for funds received under grants from this state agency. As part of its grant awards, GOEA requires the Council to amend its budget in cases where actual costs for a particular cost category exceed the budgeted amount by more than 10%. Otherwise, the excess costs could be labeled as unauthorized expenditures.

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

g. Budget Policy: - (continued)

- ◆ Expenditures cannot legally exceed appropriations on an individual fund level.
- ◆ The primary budget requirement under the RSVP program's grant from The Corporation for National and Community Services is that the ratio of volunteer expenses to total program expenses must equal or exceed the ratio in the approved budget.
- ◆ 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. Comparative Data:

Comparative data for the prior year have been presented in the accompanying financial statements in order 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 since 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 or results of operations 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)

i. Fixed Assets:

Assets which cost at least \$250 and which have an estimated useful life of greater than 1 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.

Capital leases are recorded at the inception of the lease as capital outlay expenditures and other financing sources in governmental fund types and as assets and liabilities in the General Fixed Asset and General Long-term Debt accounts groups, respectively, at the present value of the minimum lease payments, using the interest rates stated in the leases. Lease payments are recorded as expenditures on the due date; the portion of the payments applicable to principal, determined by using interest rates implicit in the lease, is reported as a reduction of the capitalized lease obligation in the General Long-term Debt account group.

j. Compensated Absences:

Full time employees earn vacation leave beginning with the first full month of employment at the rate of one day per month. Vacation leave increases with each year of employment, according to the following schedule:

<u>Years of Employment</u>	<u>Days Earned</u>
1	12
2	13
3	14
4	15
5	16
6	17
7	18
8	19
9	20
10 and over	21

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

j. Compensated Absences: - (continued)

Beginning June 15, 1992, no more than 5 days of vacation leave may be carried over at the end of a calendar year. Prior to June 15, 1992, any earned and unused vacation leave had no expiration date as to when it had to be used.

Payment of any vested vacation leave is made by the Council upon job termination of an employee for any reason.

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 the employee's current wage rate at the end of the year. An amount is added to this total for social security and Medicare taxes. Accrued vacation benefits will be paid from future year's 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. 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.

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

l. 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 not any designated fund balances at year end.

m. Prepaid Expenses:

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

n. Inventory:

Inventory is valued at cost using the first-in, first-out method. Inventory consists of food and kitchen supplies which have not been consumed as of year end and of resource materials purchased for resale as part of the Wellness Partners program. Amounts reported as inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

o. Trademarks and Copyrights:

The Council on Aging paid \$25,000 for use of the Wellness Partners' name and \$9,947 for the copyright to certain Wellness Partners' materials. Management has estimated the useful life of these assets to be five years. Accordingly, they are being amortized on a straight line basis over five years. Amortization expense for FY 99 was \$6,989.

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

p. 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, Program Service Fees, Public Support, Special Events, Interest Income and Miscellaneous Revenues

Intergovernmental revenues 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). 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. However, funds received from the City of Baton Rouge are not subject to revenue recognition restrictions.

Program service fees are recognized when the Council provides the service that entitles the Council to charge the recipient for the services received.

Interest income is recorded when it becomes measurable and available in accordance with the modified accrual basis of accounting.

The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1, C-2 and D programs. Utility assistance funds are provided from public donations via utility company programs. In addition, special events are held during the year. The timing and amounts of the receipts of public support, special events, 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. The consolidated account is available for use by all funds. The primary purpose of the consolidated account is to reduce administrative costs and to facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds. The consolidated bank account is an operating account, which is used to deposit the money it collects and pay its bills. Bank balances in excess of \$10,000 in this account are automatically transferred into an investment account at the bank. These excess funds are invested in United States Treasury obligations through a repurchase agreement with the bank. Money from the investment account is automatically transferred back to the operating account when checks are presented for payment. See Note 4 for a discussion about the investment account. The Council also has a bank account that is used only for payroll purposes.

Cash is reported at carrying amount which closely approximates fair value. The carrying amount of the Council's cash accounts at June 30, 1999 was \$3,768 whereas the related bank balances (collected deposits) totaled \$53,631. The difference in these amounts relates to deposits in transit and checks written on demand deposit accounts which have not cleared the bank accounts. The Council also has petty cash of \$250. All bank balances representing cash were covered entirely by federal depository insurance. Accordingly, these balances are classified as "Category 1" balances in accordance with GASB Statement 3.

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,

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,
8. Mutual or Trust Fund institutions 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,
9. Any other investment allowed by state statute for local governments, and
10. Louisiana Asset Management Pool (LAMP).

At June 30, 1999, the carrying amount of the Council's investments was \$601,761. Investments are reported at fair value, which closely approximates their cost. Investments consist solely of repurchase agreements of United States Treasury obligations which may be treasury notes and/or treasury bonds. The Council's investments are classified as a "Category 3" risk because the government securities are not registered in the Council's name and are held by the bank's agent.

Note 5 - Government Grants, Contracts Receivable and Accounts Receivable

Government grants and contracts 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 at year end. Grants receivable at June 30, 1999, consisted of reimbursements for expenses incurred or revenues earned under the following program:

<u>Program</u>	<u>Fund</u>	<u>Funding Agency</u>	<u>Amount</u>
U.S.D.A	Special Revenue	GOEA	\$ 7,768 =====

Note 5 - Government Grants, Contracts Receivable and Accounts Receivable - (continued)

Accounts receivable at June 30, 1999 for General Fund programs consisted of the following:

<u>Program</u>	<u>Provider</u>	<u>Amount</u>
Local	Various	\$ 10,193
Grande Aid	Medicare	11,228
Public Relations	Various	12,663
Medicaid Services	Medicaid	10,688
Grande Meals	Various	<u>2,888</u>
	Total	<u>\$ 47,660</u> =====

The Council uses the allowance method to provide for uncollectible accounts receivable. All accounts receivable at June 30, 1999 were considered collectible so no allowance for bad debts was provided by the Council's management.

Note 6 - Prepaid Expenses

The Council has elected to not 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 expenditures.

Prepaid expenses consisted of the following at June 30, 1999:

Prepaid insurance	\$ 5,854
Expenses paid for conference to be held in August, 1999	2,600
Advance payments on capital lease obligations	1,463
License for Grande Aid for 7/13/99 - 7/12/00	600
Other prepaid operating expenditures	<u>439</u>
	<u>\$10,956</u> =====

Note 7 - Changes in Fixed Assets

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

	<u>Balances</u> <u>07-01-98</u>	<u>Additions</u>	<u>Adjustments</u> <u>and</u> <u>Deletions</u>	<u>Balances</u> <u>06-30-99</u>
Vehicles	\$ 60,547	-	\$ (1,000)	\$ 59,547
Office furniture & equipment	228,948	10,917	(144,017)	95,848
Computer software	21,830	36,769	(13,265)	45,334
Nutrition equipment	80,387	1,024	(10,434)	70,977
Leasehold improvements	78,958	793	(76,802)	2,949
Capital lease equipment	175,121	-	-	175,121
Land	<u>69,000</u>	<u>-</u>	<u>(69,000)</u>	<u>-</u>
Totals	\$714,791 =====	\$49,503 =====	\$(314,518) =====	\$449,776 =====

Donated assets represent \$15,645 of the June 30, 1999 total.

Note 8 - Advances from Funding Agencies

This account represents funds received in excess of allowable expenditures as of the end of the fiscal year for a grant that will not terminate until December 31, 1999. These funds will only need to be returned to the funding agency if the funds are not spent under the terms of the grant award by December 31, 1999. The advances are as follows:

<u>Fund</u>	<u>Grant</u> <u>Year</u> <u>Ended</u>	<u>Grantor</u> <u>Agency</u>	<u>Amount</u>
RSVP	12/31/99	GOEA	\$ 7,499
RSVP	12/31/99	CNCS	<u>16,340</u>
Total advances from funding agencies			\$23,839 =====

Note 9 - Changes in 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 the general long-term debt account group.

	<u>Balance</u> <u>07/01/98</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>06/30/99</u>
Vested Vacation				
Leave	\$ 85,578	\$ 13,334	\$ -	\$ 98,912
Capital Lease				
Obligations	<u>70,926</u>	<u>-</u>	<u>(31,199)</u>	<u>39,727</u>
	\$156,504	\$ 13,334	\$(31,199)	\$138,639
	=====	=====	=====	=====

Note 10 - Capital Lease Obligations

During the year ended June 30, 1999, the Council had the following capital leases:

<u>Nature of Lease</u>	<u>Monthly</u> <u>Payment</u>	<u>Number</u> <u>of Months</u>	<u>Beginning</u> <u>Date</u>	<u>Imputed</u> <u>Interest</u>
Voice mail equipment	\$ 487.50	60	03/11/94	11.55%
Phone system	717.42	60	03/17/94	18.75%
Voice mail equipment	110.40	60	04/21/94	13.79%
Computer/phone interface				
system	1,462.50	60	10/23/95	12.50%
Copy machine	473.74	60	06/01/96	14.46%
Copy machine	315.62	60	02/01/98	17.40%

Future minimum lease payments, by year and in the aggregate, are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2000	\$ 27,022
2001	13,385
2002	3,788
2003	<u>2,209</u>
Total minimum lease payments remaining	\$ 46,404
Less: Imputed interest	<u>(6,677)</u>
Present value of net minimum lease payments at June 30, 1999	<u>\$ 39,727</u> =====

Note 11 - Operating Leases

On September 1, 1992, the Council entered into a lease with the City of Baton Rouge for the building that houses the Council's main office at 5790 Florida Boulevard, Baton Rouge, Louisiana. The terms of this lease require annual payments of \$1 for ten years. The Council is responsible for utilities, normal repairs and maintenance, and liability, fire and casualty insurance.

At June 30, 1999 the Council also had a long-term lease for a security system as follows:

<u>Term</u>	<u>Monthly Payment</u>
05/01/98 to 05/01/03	\$319.25

Future minimum lease payments for the security system are as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Amount</u>
2000	\$ 3,831
2001	3,831
2002	3,831
2003	<u>3,193</u>
	\$14,686
	=====

Total rent expense was \$6,730 for the year ended June 30, 1999.

Note 12 - In-Kind Donations

The Council received \$360,087 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 expenditures, equal to the in-kind revenues, have also been presented, thereby producing no effect on net income.

Note 12 - In-Kind Donations - (continued)

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

In-kind services and facilities:

The Councils' main office facility was furnished by the City of Baton Rouge for \$1.00 per year. Janitorial services and maintenance workers are also included. \$198,508

Senior center/meal site facilities and health screening sites are furnished to the Council without charge. 129,043

Community service workers perform services in the kitchen for the meal programs that would have to be performed by paid employees if the community service workers were not available. 27,706

The City of Baton Rouge provides postage to the Council. 3,559

Other donated services. 1,271

Total in-kind contributions \$360,087
=====

The Council receives additional support through services contributed by volunteers that does not meet the criteria for recognition under generally accepted accounting principles because the Council would not hire additional paid employees to perform these services if volunteers were not available.

Note 13 - 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 in accordance with the State of Louisiana's travel reimbursement policy when attending meetings on behalf of the Council.

Note 14 - Income Tax Status

The Council, a non-profit corporation, is exempt from federal income taxation 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 15 - Judgments, Claims, and Similar Contingencies

On September 8, 1989, the Council was sued by a former employee who alleged employment discrimination by the Council. On March 2, 1993, the Council was sued by another former employee who claims that the Council defamed her and wrongfully discharged her from her job. There has been no activity in either of these cases for more than 60 months. Although neither case has been declared abandoned, there has been no prosecution by the plaintiffs. Management believes that it could have the Council's attorney file the appropriate motions and have these matters dismissed.

The United States Postal Service (USPS) has claimed that the Council's monthly publication, The Platinum Record, contained certain advertising that made the publication ineligible for Nonprofit Standard Mail rates under Public Law 101-509. The USPS has charged the Council the higher regular bulk rates for The Platinum Record as of February, 1998 and has demanded \$19,341 of revenue deficiency for the period February, 1996 to January, 1998. The Council's management believes that the USPS representative has misapplied the restriction under Public Law 101-509 and that the Council will ultimately prevail. The matter is being appealed through the USPS appeals process. In addition, during the year the Council's Chief Executive Officer met with a U.S. Postal representative in Washington, D.C. to further discuss this matter. There have been no further demands for payment or other written correspondence from the USPS since June, 1998.

Note 16 - 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. These programs are audited in accordance with the Single Audit Act Amendments of 1996. Any settlements or expenses arising out of a final review are recognized in the period agreed upon by the agency and the Council. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the Council's financial position.

Note 17 - Economic Dependency

The Council receives the majority of its revenue from funds provided through grants and contracts administered by the Governor's Office of Elderly Affairs and quarterly allocations from the City of Baton Rouge, Louisiana. The grant amounts are appropriated each year by the federal, state, and local governments. If significant budget cuts are made at the federal, state and/or local 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.

Note 18 - IRC Section 125 Cafeteria Plan

In January, 1992, the Council established an Internal Revenue Code Section 125 "cafeteria" plan for its full-time employees. Under this plan an eligible employee can elect to have a portion of his/her compensation reduced to pay for personal health insurance, dental insurance, and/or disability insurance that the employee would normally have to pay with "after tax" compensation. Participation in this plan is at the option of each full-time employee.

Note 19 - IRC Section 457 - Deferred Compensation

The Council offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all Council employees and permits them to defer a portion of their salary until future years. Participation in the plan is at the employee's option. The deferred compensation is not available to participating employees until termination, retirement, death or unforeseeable emergency. All assets and income of the plan are held in trust for the exclusion benefit of the participants and their beneficiaries.

In accordance with GASB statement No. 32, the Council does not present the investment in deferred compensation and the offsetting deposits and escrow accounts as assets and liabilities on its combined balance sheet.

Note 20 - Related Party Transactions

Sharon LaFleur, the Council's Chief Executive Officer, has granted the Council a usufructuary of her 1984 Lincoln stretch limousine during daytime hours on Monday through Friday of each week. In return for the use of this vehicle, the Council has agreed to pay for certain operational costs. During the year, the Council paid \$6,065 for insurance but paid no additional operating expenses for the limousine.

The Council is the sponsoring agency for the Dumas House Corporation, a separate 501 (c)(3) non-profit corporation which has received a 4.4 million dollar grant from HUD to purchase property, design, and build a 66 unit apartment complex for senior citizens. As the sponsoring agency, the Council paid \$13,902 in start-up expenses for The Dumas House Corporation. \$8,289 will be reimbursed to the Council when HUD funds are released. The \$8,289 has been included in the accounts receivable balance of the General Fund. The remaining \$5,613 of start-up costs were paid with unrestricted local funds.

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

Note 21 - Risk Management

The Council is exposed to various risks of loss related to torts; thefts 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 22 - Interfund Loans

Because the Council operates most of its programs under 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.

The interfund loan at June 30, 1999 was created by the prepayment by the General Fund of Title III F expenditures for FY2000.

	<u>Due From</u> <u>Other Funds</u>	<u>Due To</u> <u>Other Funds</u>
General Funds	<u>\$ 2,605</u>	<u>\$ -</u>
Special Revenue Fund: Title III-F	<u>-</u>	<u>2,605</u>
Total all funds	<u>\$ 2,605</u> =====	<u>\$ 2,605</u> =====

Note 23 - Interfund Transfers

Operating transfers in and out are listed by fund for 1999 as follows:

<u>Funds Transferred Into:</u>	<u>Fund Transferred Out From</u>				<u>TOTAL</u>
	<u>General Fund</u>		<u>Special Revenue Fund</u>		
	<u>PCOA</u>	<u>LOCAL</u>	<u>USDA</u>	<u>SENIOR CENTER*</u>	
Special Revenue Funds:					
Title III B	\$ -	\$ -	\$ -	\$ 79,861	\$ 79,861
Title C-1	-	1	31,449	-	31,450
Title C-2	64,640	-	58,491	-	123,131
Title III D	-	-	-	3,334	3,334
Title III F	2,318	-	-	68,545	70,863
RSVP	-	23,200	-	-	23,200
RAPP	-	3,243	-	-	3,243
Total special revenue funds	<u>66,958</u>	<u>26,444</u>	<u>89,940</u>	<u>151,740</u>	<u>335,082</u>
General Fund:					
Local Programs	<u>-</u>	<u>573,531</u>	<u>-</u>	<u>-</u>	<u>573,531</u>
Total general fund	<u>-</u>	<u>573,531</u>	<u>-</u>	<u>-</u>	<u>573,531</u>
Total all funds	<u>\$66,958</u>	<u>\$599,975</u>	<u>\$89,940</u>	<u>\$151,740</u>	<u>\$908,613</u>
	=====	=====	=====	=====	=====

* Includes the primary senior center grant and the supplemental senior center grant.

SUPPLEMENTARY FINANCIAL INFORMATION

EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA

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

For the year ended June 30, 1999

PROGRAMS OF THE GENERAL FUND

REVENUES	LOCAL	PCOA	Grande Aid	Public Relations	Medicaid Services	Grande Meals	Assessments				Local Transportation	Totals
							and Case Management	Wellness Partners	Geriatric Fitness			
Intergovernmental:												
City of Baton Rouge	\$ 708,235	0	0	0	0	0	0	0	0	0	0	\$ 708,235
Office of Elderly Affairs	0	66,958	0	0	0	0	0	0	0	0	0	66,958
Interest income	29,036	0	0	0	0	0	0	0	0	0	0	29,036
Unrestricted public support	15,034	0	0	0	0	0	0	0	0	0	0	15,034
Restricted public support:												
Fans for elderly	3,138	0	0	0	0	0	0	0	0	0	0	3,138
Participant contributions	2,231	0	0	968	0	0	0	0	0	745	0	3,944
Other general public	3,000	0	0	0	0	0	0	0	0	2,259	0	5,259
Program service fees:												
Health screening contract	4,070	0	0	0	0	0	0	0	0	0	0	4,070
Medicare and Medicaid reimbursements	1,707	0	66,095	0	47,032	0	0	0	0	0	0	114,834
Meals sold	0	0	0	0	0	36,813	0	0	0	0	0	36,813
SeniorNet	17,475	0	0	0	0	0	0	0	0	0	0	17,475
Senior Center special projects	9,707	0	0	0	0	0	0	0	0	0	0	9,707
Case management and												
Insurance assessments	0	0	0	0	0	0	3,398	0	0	0	0	3,398
Wellness training	0	0	0	0	0	0	0	717	0	0	0	717
Life Alert sales	4,390	0	0	0	0	0	0	0	0	0	0	4,390
Photo print shop	1,599	0	0	0	0	0	0	0	0	0	0	1,599
Health screening	3,263	0	0	0	0	0	0	0	0	0	0	3,263
Sky School fees	2,260	0	0	0	0	0	0	0	0	0	0	2,260
Other	1,166	0	0	0	0	0	0	0	0	0	0	1,166
Special events:												
Sponsorship fees	0	0	0	17,353	0	0	0	0	0	0	0	17,353
Miscellaneous:												
Platinum Record and Platinum Plus ad sales	0	0	0	76,149	0	0	0	0	0	0	0	76,149
Consignment Store sales	1,499	0	0	0	0	0	0	0	0	0	0	1,499
Sales of refreshments	1,505	0	0	0	0	0	0	0	0	0	0	1,505
Other	2,204	0	0	0	0	0	0	0	0	0	0	2,204
In-kind contributions	23,793	0	28,936	20,501	4,927	3,440	358	2,995	7,284	1,412	0	93,646
Total revenues	835,312	66,958	95,031	114,971	51,959	40,253	3,756	3,712	7,284	4,416	0	1,223,652

SCHEDULE 1 CONTINUED ON NEXT PAGE

EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA

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

For the year ended June 30, 1999

PROGRAMS OF THE GENERAL FUND

EXPENDITURES	LOCAL	PCOA	Grande Aid	Public Relations	Medicaid Services	Grande Meals	Assessments and Case Management	Wellness Partners	Geriatric Fitness	Local Transportation	Totals
Current:											
Salaries & wages	161,028	0	239,057	103,810	56,900	10,378	3,137	21,310	66,429	12,934	674,983
Fringe	22,025	0	30,942	14,315	6,678	1,415	398	3,130	8,415	1,424	88,742
Travel	10,490	0	1,881	687	3,867	21	348	28	2,090	530	19,942
Operating services	43,864	0	36,553	109,941	2,896	2,086	249	1,841	6,376	1,351	205,157
Operating supplies	9,930	0	11,633	2,320	683	402	39	832	798	157	26,794
Other costs	24,383	0	17,179	7,842	639	965	7	7,764	779	58	59,616
Meals	0	0	0	0	0	11,913	0	0	0	0	11,913
Capital outlay	49,503	0	0	0	0	0	0	0	0	0	49,503
Debt service:											
Principal retirement	31,199	0	0	0	0	0	0	0	0	0	31,199
Interest	7,913	0	0	0	0	0	0	0	0	0	7,913
In-kind services and facilities	23,793	0	28,936	20,501	4,927	3,440	358	2,995	7,284	1,412	93,646
Total expenditures	384,128	0	366,181	259,416	76,590	30,620	4,536	37,900	92,171	17,866	1,269,408
Excess of revenues over (under) expenditures	451,184	66,958	(271,150)	(144,445)	(24,631)	9,633	(780)	(34,188)	(84,887)	(13,450)	(45,756)
OTHER FINANCING SOURCES (USES)											
Operating transfers in	0	0	271,150	144,445	24,631	0	780	34,188	84,887	13,450	573,531
Operating transfers out	(599,975)	(66,958)	0	0	0	0	0	0	0	0	(666,933)
Proceeds from sale of land	86,000	0	0	0	0	0	0	0	0	0	86,000
Excess of revenues and other sources over (under) expenditures and other uses	(62,791)	0	0	0	0	9,633	0	0	0	0	(53,158)
FUND BALANCE											
Beginning of year	601,197	0	0	0	0	50,973	0	0	0	0	652,170
End of year	\$ 538,406	\$ 0	\$ 0	\$ 0	\$ 0	\$ 60,606	\$ 0	\$ 0	\$ 0	\$ 0	\$ 599,012

EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA

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

For the Year Ended June 30, 1998

	Title III B	Title III AAA	Title III C	Title III C-1	Title III C-2	Title III D	Title III F	U.S.D.A.	Audit	Senior Center	Supple. Senior Center	RSVP	RAPP	Utility Assistance	Totals
REVENUES															
Intergovernmental:															
Governor's Office of Elderly Affairs	\$ 273,519	\$ 69,673	\$ 0	\$ 340,519	\$ 232,124	\$ 7,754	\$ 12,356	\$ 92,010	\$ 8,825	\$ 192,670	\$ 120,000	\$ 15,176	\$ 0	\$ 0	\$ 1,364,626
The Corporation for National and Community Service	0	0	0	0	0	0	0	0	0	0	0	52,171	0	0	52,171
Public support (restricted):															
Client contributions	2,329	0	0	64,172	10,633	116	60	0	0	0	0	0	0	0	77,310
Brookside Foundation	0	0	0	0	0	0	0	0	0	0	0	6,000	0	0	6,000
Donations	0	0	0	175	0	0	0	0	0	0	0	900	0	0	1,125
General public via utility company programs	0	0	0	0	0	0	0	0	0	0	0	0	0	60,738	60,738
In-kind contributions	30,523	0	0	118,614	100,463	961	7,146	0	0	0	0	7,864	870	0	266,441
Total revenues	306,371	69,673	0	523,480	343,220	8,831	19,562	92,010	8,825	192,670	120,000	75,261	7,770	60,738	1,828,411
EXPENDITURES															
Current:															
Salaries and wages	271,470	45,699	0	216,292	169,772	8,233	61,152	0	0	79,507	0	60,607	7,710	1,584	922,026
Fringe	41,241	4,978	0	29,046	23,016	1,362	8,491	0	0	11,423	0	7,289	707	395	127,948
Travel	9,243	219	0	1,200	13,746	367	3,804	0	0	0	0	7,154	454	0	36,187
Operating services	18,879	16,398	0	33,068	26,524	555	6,925	0	8,825	0	0	5,447	689	0	117,310
Operating supplies	3,759	2,212	0	5,899	5,371	869	1,974	0	0	0	0	921	213	0	21,018
Other costs	568	167	0	4,990	3,291	18	933	0	0	0	0	7,754	370	0	18,091
Full service	10,549	0	0	0	0	0	0	0	0	0	0	0	0	0	10,549
Meals	0	0	0	145,821	124,168	0	0	0	0	0	0	2,472	0	0	272,461
Subgrantee	0	0	0	0	0	0	0	0	0	0	70,000	0	0	0	70,000
Utility assistance	0	0	0	0	0	0	0	0	0	0	0	0	0	43,043	43,043
In-kind services and facilities	30,523	0	0	118,614	100,463	961	7,146	0	0	0	0	7,864	870	0	266,441
Total expenditures	386,232	69,673	0	554,930	468,361	12,165	90,425	0	8,825	90,930	70,000	99,508	11,013	45,022	1,905,074
Excess of revenues over (under) expenditures	(79,861)	0	0	(31,450)	(123,131)	(3,334)	(70,863)	92,010	0	101,740	50,000	(24,247)	(3,243)	15,716	(78,663)
OTHER FINANCING SOURCES (USES)															
Operating transfers in	79,861	0	0	31,450	123,131	3,334	70,863	0	0	0	0	23,200	3,243	0	335,082
Operating transfers out	0	0	0	0	0	0	0	(89,940)	0	(101,740)	(50,000)	0	0	0	(241,680)
Excess of revenues and other sources over (under) expenditures and other uses	0	0	0	0	0	0	0	2,070	0	0	0	(1,047)	0	15,716	16,739
FUND BALANCE															
Beginning of year	0	0	0	0	0	0	0	16,014	0	0	0	1,047	0	53,195	70,256
End of year	0	0	0	0	0	0	0	18,084	0	0	0	0	0	68,911	86,995

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA**

**SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VS ACTUAL - CONTRACTS AND GRANTS PROVIDED
THROUGH THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS (GOEA)**

For the year ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
PCOA - Act 735			
Transfers out to Title III C-2	\$ 65,171	\$ 64,640	\$ 531
Transfers out to Title III F	1,787	2,318	(531)
Total	<u>\$ 66,958</u>	<u>\$ 66,958</u>	<u>\$ 0</u>
TITLE III B			
Salaries & wages	\$ 268,824	\$ 271,470	\$ (2,646)
Fringe	41,421	41,241	180
Travel	7,713	9,243	(1,530)
Operating services	22,660	18,879	3,781
Operating supplies	3,521	3,759	(238)
Other costs	220	568	(348)
Full service	10,549	10,549	0
Totals	<u>\$ 354,908</u>	<u>\$ 355,709</u>	<u>\$ (801)</u>
TITLE III C - AAA			
Salaries & wages	\$ 45,699	\$ 45,699	\$ 0
Fringe	4,978	4,978	0
Travel	219	219	0
Operating services	16,398	16,398	0
Operating supplies	2,212	2,212	0
Other costs	167	167	0
Totals	<u>\$ 69,673</u>	<u>\$ 69,673</u>	<u>\$ 0</u>
TITLE III C - 1			
Salaries & wages	\$ 220,253	\$ 216,292	\$ 3,961
Fringe	28,912	29,046	(134)
Travel	941	1,200	(259)
Operating services	37,155	33,068	4,087
Operating supplies	5,795	5,899	(104)
Other costs	3,631	4,990	(1,359)
Meals:			
Raw food	123,760	128,504	(4,744)
Non-edibles	12,480	17,317	(4,837)
Totals	<u>\$ 432,927</u>	<u>\$ 436,316</u>	<u>\$ (3,389)</u>

EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA

SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VS ACTUAL - CONTRACTS AND GRANTS PROVIDED
THROUGH THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS (GOEA)

For the year ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
TITLE III C-2			
Salaries & wages	\$ 170,669	\$ 169,772	\$ 897
Fringe	22,479	23,016	(537)
Travel	12,842	13,746	(904)
Operating services	30,677	26,524	4,153
Operating supplies	5,098	5,371	(273)
Other costs	2,259	3,291	(1,032)
Meals:			
Raw food	104,720	109,423	(4,703)
Labor and non-edibles	10,560	14,745	(4,185)
Totals	<u>\$ 359,304</u>	<u>\$ 365,888</u>	<u>\$ (6,584)</u>
TITLE III D			
Salaries & wages	\$ 8,400	\$ 8,233	\$ 167
Fringe	1,307	1,362	(55)
Travel	362	367	(5)
Operating services	677	555	122
Operating supplies	92	669	(577)
Other costs	7	18	(11)
Totals	<u>\$ 10,845</u>	<u>\$ 11,204</u>	<u>\$ (359)</u>
TITLE III F			
Salaries & wages	\$ 61,444	\$ 61,152	\$ 292
Fringe	9,031	8,491	540
Travel	2,666	3,804	(1,138)
Operating services	7,034	6,925	109
Operating supplies	1,448	1,974	(526)
Other costs	342	933	(591)
Totals	<u>\$ 81,965</u>	<u>\$ 83,279</u>	<u>\$ (1,314)</u>
USDA			
Transfers to Title III C-1	\$ 29,408	\$ 31,449	\$ (2,041)
Transfers to Title III C-2	50,969	58,491	(7,522)
Totals	<u>\$ 80,377</u>	<u>\$ 89,940</u>	<u>\$ (9,563)</u>

EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA

SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VS ACTUAL - CONTRACTS AND GRANTS PROVIDED
THROUGH THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS (GOEA)

For the year ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
AUDIT			
Operating services (*)	\$ 8,825	\$ 8,825	\$ 0
	<u>\$ 8,825</u>	<u>\$ 8,825</u>	<u>\$ 0</u>

(*) Additional audit costs of \$ 7,675 were allocated as an indirect expense and have been included as "other costs" of the other GOEA programs.

SENIOR CENTER			
Salaries & wages	\$ 78,829	\$ 79,507	\$ (678)
Fringe	13,886	11,423	2,463
Transfers to Title III B	79,568	79,861	(293)
Transfers to Title III D	3,014	3,334	(320)
Transfers to Title III F	67,373	68,545	(1,172)
Totals	<u>\$ 242,670</u>	<u>\$ 242,670</u>	<u>\$ 0</u>

SUPPLEMENTAL SENIOR CENTER			
Subgrantee	\$ 70,000	\$ 70,000	\$ 0
Transfers to Senior Center	50,000	50,000	0
Totals	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ 0</u>

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA**

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

For the year ended June 30, 1999

		<u>Percent of GOEA Grant</u>
Access (30%):		
Assisted Transportation	\$ 0	
Case Management	27,462	
Transportation	0	
Information & assistance	196,186	
Outreach	<u>0</u>	
Total access expenses	223,648	106.00%
In-Home (15%):		
Homemaker	110,192	
Chore	11,320	
Telephoning	0	
Visiting	0	
Adult daycare/health	0	
Personal Care	<u>0</u>	
Total in-home expenses	121,512	57.59%
Legal (5%):		
Legal Assistance	10,549	5.00%
Non-priority services	<u>0</u>	
Total Title III B - Supportive Services Expenditures	355,709	
Less: Participant contributions	(2,329)	
Other public support		
Transfers in	<u>(79,861)</u>	
Title III B - Supportive Services Contract	273,519	
Less: Transfers of contract allotments	0	
State homemaker	(62,531)	
State transportation	<u>0</u>	
Original contract award net of additional state homemaker and transportation funds and transfers of contract allotments	<u>\$ 210,988</u>	

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA**

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

For the year ended June 30, 1999

	Balance June 30, 1998	Additions	Adjustments and Deletions	Balance June 30, 1999
General fixed assets:				
Vehicles	\$ 60,547	\$ 0	\$ (1,000)	\$ 59,547
Office furniture and equipment	228,948	10,917	(144,017)	95,848
Computer software	21,830	36,769	(13,265)	45,334
Nutrition equipment	80,387	1,024	(10,434)	70,977
Leasehold improvements	78,958	793	(76,802)	2,949
Capital lease equipment	175,121	0	0	175,121
Land	69,000	0	(69,000)	0
Total general fixed assets	<u>\$ 714,791</u>	<u>\$ 49,503</u>	<u>\$ (314,518)</u>	<u>\$ 449,776</u>
Investment in general fixed assets:				
Property acquired with funds from -				
General funds and local donations	\$ 493,770	\$ 49,503	\$ (124,495)	\$ 418,778
Title III B Administration	1,750	0	0	1,750
Title III B Supportive Services	392	0	0	392
RSVP	1,298	0	(400)	898
Disaster Assistance	4,750	0	0	4,750
PCOA	5,308	0	0	5,308
Title III C-1	333	0	0	333
Title III C-2	543	0	0	543
Title III F	1,379	0	0	1,379
Funding information not maintained to identify fixed assets aquired before 1-1-92	112,383	0	(112,383)	0
In-kind from the general public	92,885	0	(77,240)	15,645
Total investments in general fixed assets	<u>\$ 714,791</u>	<u>\$ 49,503</u>	<u>\$ (314,518)</u>	<u>\$ 449,776</u>

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 1999

FEDERAL GRANTOR/PASS-THROUGH GRANTORS/ PROGRAM TITLE OR CLUSTER TITLE	FEDERAL CFDA NUMBER	GRANT NUMBER	GRANT YEAR ENDED	PROGRAM OR AWARD AMOUNT	FEDERAL REVENUE RECOGNIZED	FEDERAL EXPENDITURES
The Corporation for National and Community Service						
Direct Programs:						
Retired Senior Volunteer Program (RSVP)	94.002	340W021/15-00	12/31/98	\$ 48,601	\$ 30,965	\$ 30,965
Retired Senior Volunteer Program (RSVP)	94.002	340W021/16-00	12/31/99	50,059	21,206	21,206
Subtotal CFDA #94.002				98,660	52,171	52,171
Totals for The Corporation for National and Community Service				98,660	52,171	52,171
U.S. Department of Health and Human Services - Administration on Aging						
Passed through the Governor's Office of Elderly Affairs: Special Programs for the Aging - Cluster:						
Title III, Part B - Grant for Supportive Services and Senior Centers	93.044	N/A	06/30/99	179,340	179,340	179,340
Title III, Part C - Area Agency Administration	93.045	N/A	06/30/99	52,255	52,255	52,255
Title III, Part C -1 - Nutrition Services - Congregate Meals	93.045	N/A	06/30/99	179,704	179,704	179,704
Title III, Part C -2 - Nutrition Services - Home Delivered Meals	93.045	N/A	06/30/99	94,154	94,154	94,154
Subtotal CFDA #93.045				326,113	326,113	326,113
Title III, Part D - In-Home Services for Frail Older Individuals	93.046	N/A	06/30/99	6,591	6,591	6,591
Title III, Part F - Disease Prevention and and Health Promotion Services	93.043	N/A	06/30/99	10,503	10,503	10,503
Totals for U.S. Department of Health and Human Services				522,547	522,547	522,547
U.S. Department of Agriculture						
Passed through the Governor's Office of Elderly Affairs:						
Nutrition Program for the Elderly (1)	10.570	N/A	06/30/99	150,000	92,010	73,926
Nutrition Program for the Elderly (2)	10.570	N/A	06/30/98	150,000	0	16,014
Subtotal CFDA #10.570				300,000	92,010	89,940
Total federal grants				\$ 921,207	\$ 666,728	\$ 664,658

The accompanying notes are an integral part of this schedule.

(1) There were \$ 18,084 of funds earned but not spent under the FY 99 award that will be carried over to FY 00.

(2) At 06-30-98, there was still \$16,014 of funds earned but not spent under the FY98 award. Those funds were carried over to FY99 and spent this year.

Note A - Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the East Baton Rouge Council on Aging, Inc. and has been prepared using the modified accrual basis of accounting as contemplated under generally accepted 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 East Baton Rouge Council on Aging, Inc. 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.

EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA

SCHEDULE OF RSVP ACTIVITY

For the Grant Year Ended December 31, 1998

Costs Incurred For RSVP Were As Follows:

	<u>ACTUAL</u>	<u>ACTUAL %</u>	<u>BUDGET</u>	<u>BUDGET %</u>
Volunteer Support	\$ 53,412	75.41%	\$ 53,751	74.99%
Volunteer Expense	17,419	24.59%	17,931	25.01%
Total costs incurred	70,831		<u>71,682</u>	
Costs paid with local match	<u>(2,377)</u>			
Costs remaining to be paid with The Corporation for National and Community Service and GOEA funds	<u>\$ 68,454</u>			
Costs paid for with GOEA (State) funds received	\$ 19,853			
Costs paid with funds from The Corporation for National and Community Service	<u>48,601</u>			
Total	<u>\$ 68,454</u>			

East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana

DISCLOSURE ABOUT THE YEAR 2000 ISSUE

June 30, 1999

The Year 2000 issue arises because many computerized systems use two digits rather than four to identify a year. Date sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 issue may be experienced before, on or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure, which could affect the Council's ability to conduct normal business operations.

DESCRIPTION OF WORK COMPLETED OR TO BE COMPLETED TO MAKE
THE COUNCIL'S COMPUTER SYSTEM AND OTHER ELECTRONIC EQUIPMENT
CRITICAL TO CONDUCTING OPERATIONS SYSTEM 2000 COMPLIANT

The Council's management has taken action to minimize any adverse effects which might result from the year 2000 as follows:

GENERAL OPERATIONS AND ACCOUNTING SYSTEMS

Y2K planning and plan implementation have been in place for over a year. During this time the Council has done extensive in-house testing on their hardware and software. Computers that were deemed critical or otherwise sensitive to the Council's operations have been replaced by new computers (16 of them including the network server). Y2K statements have been obtained for the Council's most critical software applications. Software has been upgraded or replaced where indicated. Some upgrades for the software are in the process of review by the various manufacturers and will be patched as necessary. The Council's in-house developed data processing system for client information has been thoroughly tested and portions re-written as necessary.

Some of the Council's older computers will need individual attention at the turn of the century, but will become compliant after the necessary changes. Management plans to disable network access on these computers until each has been corrected. Many companies are continually upgrading their software patches. To avoid repeated upgrades, a cutoff date of October 1, 1999 has been set. At this time the Council will begin applying the latest patches available from each software manufacturer. The Council will not attempt further patches unless serious problems indicate

it. The reason for this cutoff date is to allow ample time to make all of the patches necessary and confirm their validity before January 1, 2000.

PURCHASE OF GOODS AND SERVICES INTEGRAL
TO THE COUNCIL'S OPERATIONS

The Council does not heavily rely on one vendor or a group of vendors to provide goods and services that the Council needs to perform its routine functions. There are alternatives available whereby the Council can acquire the goods and services it needs should the year 2000 prevent the usual vendors from meeting the Council's needs.

PAYROLL

Payroll processing is done by an outside service organization. The services organization has given the Council a Y2K compliance statement for their product and services. In the event any unexpected events occur which cause the service organization not to perform as expected, payroll will be processed manually.

FINANCIAL RESOURCE COMMITMENTS

Management has not budgeted and does not expect to have to spend any significant amounts of money in FY 2000 to become Y2K compliant.

DISCLAIMER

Despite all the efforts the Council's management can and will take to assess, remediate, and validate through testing the problems associated with the year 2000, management makes no guarantee that all systems and equipment used by the Council, its service organization, suppliers, or other third parties will be year 2000 compliant.

EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 1999

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the East Baton Rouge Council on Aging, Inc.
2. No internal control matters relating to the audit of the general purpose financial statements are 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*."
3. No instances of noncompliance material to the general purpose financial statements of the East Baton Rouge Council on Aging, Inc. were disclosed during the audit.
4. No internal control matters relating to the audit of the major federal award programs are 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."
5. The auditor's report on compliance for the major federal award programs for the East Baton Rouge Council on Aging, Inc. expresses an unqualified opinion.
6. There are no findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.

EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

June 30, 1999

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. East Baton Rouge Council on Aging, Inc. was not determined to be a low-risk auditee.

B. FINANCIAL STATEMENT FINDINGS

There were no findings that are required to be reported in this section of the report.

C. MAJOR FEDERAL AWARD PROGRAM FINDINGS AND QUESTIONED COSTS

There are no findings that are required to be reported in this section of the report.

D. MANAGEMENT LETTER

The auditor has issued a management letter for this year's audit which has been made a part of this reporting package.

EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 1999

There were no internal control matters noted in the June 30, 1998 audit report relative to federal award programs.

There were no material instances of noncompliance noted in the June 30, 1998 audit report relative to federal award programs.

There was no management letter issued for the June 30, 1998 audit.

Accordingly, nothing is required to be reported in this section of the report.

NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT

14481 OLD HAMMOND HIGHWAY, SUITE 4

BATON ROUGE, LOUISIANA 70816

MEMBER OF THE
SOCIETY OF LOUISIANA CPAs

MEMBER OF THE
AMERICAN INSTITUTE OF CPAs

PHONE (504) 272-1177

MANAGEMENT LETTER

October 28, 1999

To the Board of Directors
East Baton Rouge Council on Aging, Inc.
Baton Rouge, LA.

I have audited the financial statements of the East Baton Rouge Council on Aging, Inc. as of and for the year ended June 30, 1999, and have issued my report thereon dated October 28, 1999. 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 October 28, 1999, 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 October 28, 1999.

During the course of the audit, I became aware of an immaterial instance of noncompliance. Although it is immaterial, I believe it deserves your attention.

IMMATERIAL INSTANCE OF NONCOMPLIANCE

NC-1: Noncompliance With GOEA Budget Requirements

The Council's contract with GOEA states that budget revisions are required whenever there are changes in any category of the budget of more than ten percent. Even though total expenditures for each GOEA program did not exceed the final amended budget by more than ten percent, expenditures for certain categories in Title III B, C-1, C-2, III D and III F programs exceeded the budget amounts by more than ten percent.

If the Council had used discretionary money in these Title III programs, these funds could be used to "cover" the overspending. However, for this fiscal year, the East Baton Rouge Council on Aging, Inc. did not use any discretionary funds from its General Fund to expand or subsidize the Title III programs. In future years, I recommend the Council monitor each expense category in its budget for Title III programs to ensure compliance with the budget requirements of its GOEA contract and prevent violations which could lead to questioned costs.

I recommend management and the Board address the foregoing issue as an improvement to operations and the administration of public programs. I am available to further explain this matter, or offer ways to help you prevent it from reoccurring.

Sincerely,

Neil G. Ferrari

Neil G. Ferrari, CPA

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA**

MANAGEMENT'S CORRECTIVE ACTION PLAN

June 30, 1999

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.

East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana,
respectfully submits the following corrective action plan for the
year ended June 30, 1999.

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, 1999.

There were no findings mentioned on the June 30, 1999 schedule of
findings and questioned costs. The findings and recommendations
made by the auditor in the management letter are discussed below.
The numbers used in the management letter are consistent with the
numbers used in this corrective action plan.

Management Letter Comments

NC-1: Noncompliance with GOEA Budget Requirements

Recommendation: The auditor recommended that the Council
monitor each expense category in its budget
for Title III programs to ensure compliance
and prevent contract violations which could
lead to questioned costs.

Management's

Corrective Action: In response to the Management Letter issued
for The East Baton Rouge Council on Aging's
audit of fiscal year ending June 30, 1999, our
reply to "Immaterial Instance of Noncompliance
with GOEA Budget Requirements" regarding a ten
percent budget variance by line item is as
follows:

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA**

**MANAGEMENT'S CORRECTIVE ACTION PLAN
(Continued)**

June 30, 1999

The Council on Aging makes every attempt to stay within the budgeted line items per expense category. We are within the ten percentile of each fund's total costs, however, we exceeded certain categories by line item total. We will continue to monitor the budgeted expenses per line item and make every attempt to stay within those perimeters. The Chief Financial Officer and Chief Operations Officer will review these expenditures on a regular basis to ensure line item compliance, prevent contract violations which could lead to questioned costs, and or to determine whether a budget revision should be made and submitted to GOEA.

If you have any questions regarding this plan, please call Sharon LaFleur at (225) 923-8000, extension 222.