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Jackson Council on the Aging, Inc.

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.

Jonesboro, Louisiana

Release Date FEB 17 1999

REPORT ON AUDIT OF FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

For the Year Ended June 30, 1998

SAUNDERS & ASSOCIATES
Certified Public Accountants
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JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Jackson Council on the Aging, Inc.
Jonesboro, Louisiana

We have audited the accompanying general-purpose financial statements of the Jackson Council on the Aging, Inc. as of and for the year ended June 30, 1998, as listed in the preceding table of contents. These general-purpose financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures About Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issues in order for financial statements to be prepared in conformity with generally accepted accounting principles. Such required disclosures include:

any significant amount of resources committed to make computer systems and other electronic year 2000-compliant;

a general description of the year 2000 issue, including a description of the stages of work in process or completed as of the end of the reporting period to make computer systems and other electronic equipment critical to conducting operations year 2000-compliant; and

the additional stages of work necessary for making the computer systems and other electronic equipment year 2000-compliant.

Jackson Council on the Aging, Inc. has omitted such disclosures. We do not provide assurance that the organization is, or will be, year 2000 ready, that the organization's year 2000 remediation efforts will be successful, in whole, or in part, or that the parties with which the organization does business will be year 2000 ready.

In our opinion, except for the omission of the information discussed in the preceding paragraph, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the organization as of June 30, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 1998 on our consideration of the organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the organization taken as a whole. The accompanying supplemental information, as listed in the preceding table of contents, is presented for purposes of additional analysis. This supplemental information is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Saunders + Associates
SAUNDERS & ASSOCIATES
Certified Public Accountants

December 9, 1998

GENERAL PURPOSE FINANCIAL STATEMENTS

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
With Comparative Totals For The Year Ended June 30, 1997

June 30, 1998

	<u>Governmental</u> <u>Fund Types</u>		<u>Account Groups</u>	
	<u>General</u> <u>Funds</u>	<u>Special</u> <u>Revenue</u> <u>Funds</u>	<u>General</u> <u>Fixed</u> <u>Assets</u>	<u>General</u> <u>Long-Term</u> <u>Debt</u>
<u>ASSETS</u>				
Cash	\$ 26,278	\$ 9,968	\$ 0	\$ 0
Receivables	9,632	3,272	0	0
Prepaid Expenses	1,572	1,221	0	0
Land and Buildings	0	0	0	0
Vehicles	0	0	64,615	0
Furniture and Equipment	0	0	52,192	0
Amount to be Provided For: Retirement of General Long-Term Debt	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>\$ 37,482</u>	<u>\$ 14,461</u>	<u>\$ 116,807</u>	<u>\$ 0</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts Payable	\$ 1,572	\$ 6,429	\$ 0	\$ 0
Accrued Payroll	0	2,674	0	0
Accrued Payroll Taxes	2,122	224	0	0
Notes Payable	<u>9,202</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>12,896</u>	<u>9,327</u>	<u>0</u>	<u>0</u>
Fund Equity:				
Investment in General Fixed Assets	0	0	116,807	0
Fund Balances-Reserved For:				
Prepaid Expenses	1,572	1,221	0	0
Utilities Assistance	0	5,200	0	0
Unreserved and Undesignated	<u>23,014</u>	<u>(1,287)</u>	<u>0</u>	<u>0</u>
Total Fund Equity	<u>24,586</u>	<u>5,134</u>	<u>116,807</u>	<u>0</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 37,482</u>	<u>\$ 14,461</u>	<u>\$ 116,807</u>	<u>\$ 0</u>

* The accompanying notes are an integral part of the financial statements.

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
With Comparative Totals For The Year Ended June 30, 1997

June 30, 1998

	Total (Memorandum Only)	
	1998	1997
<u>ASSETS</u>		
Cash	\$ 36,246	\$ 26,935
Receivables	12,904	13,363
Prepaid Expenses	2,793	2,575
Land and Buildings	0	0
Vehicles	64,615	56,720
Furniture and Equipment	52,192	51,872
Amount to be Provided For: Retirement of General Long-Term Debt	0	0
TOTAL ASSETS	\$ 168,750	\$ 151,465
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Accounts Payable	\$ 8,001	\$ 9,523
Accrued Payroll	2,674	2,252
Accrued Payroll Taxes	2,346	2,484
Notes Payable	9,202	13,167
Total Liabilities	22,223	27,426
Fund Equity:		
Investment in General Fixed Assets	116,807	108,592
Fund Balances-Reserved For:		
Prepaid Expenses	2,793	0
Utilities Assistance	5,200	5,865
Unreserved and Undesignated	21,727	3,582
Total Fund Equity	146,527	124,039
TOTAL LIABILITIES AND FUND EQUITY	\$ 168,750	\$ 151,465

* The accompanying notes are an integral part of the financial statements.

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
With Comparative Totals For The Year Ended June 30, 1998

For the Year Ended June 30, 1998

	General Funds	Special Revenue Funds	Total (Memorandum Only)	
			1998	1997
<u>REVENUES</u>				
Intergovernmental	\$ 11,779	\$ 211,593	\$ 223,372	\$ 216,332
Public Support	25,378	23,408	48,786	40,320
Miscellaneous	32,552	0	32,552	20,374
Interest Income	836	0	836	613
	<u>70,545</u>	<u>235,001</u>	<u>305,546</u>	<u>277,639</u>
<u>EXPENDITURES</u>				
Current:				
Salaries	0	99,074	99,074	93,135
Fringe	0	8,783	8,783	9,102
Travel	0	7,150	7,150	2,578
Operating Services	3,641	57,327	60,968	54,369
Operating Supplies	0	8,466	8,466	11,431
Other Costs	0	91,144	91,144	85,207
Capital Outlay	11,685	1,553	13,238	20,019
Utility Assistance	0	2,450	2,450	1,409
	<u>15,326</u>	<u>275,947</u>	<u>291,273</u>	<u>277,250</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>55,219</u>	<u>(40,946)</u>	<u>14,273</u>	<u>389</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers In	18,000	73,569	91,569	76,753
Operating Transfers Out	<u>(57,430)</u>	<u>(34,139)</u>	<u>(91,569)</u>	<u>(76,753)</u>
Total Other Financing Sources (Uses)	<u>(39,430)</u>	<u>39,430</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	15,789	(1,516)	14,273	389
Fund Balance, Beginning of Year	<u>8,797</u>	<u>6,650</u>	<u>15,447</u>	<u>15,058</u>
FUND BALANCE, END OF YEAR	<u>\$ 24,586</u>	<u>\$ 5,134</u>	<u>\$ 29,720</u>	<u>\$ 15,447</u>

* The accompanying notes are an integral part of the financial statements.

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP) AND ACTUAL

GENERAL FUND TYPE

For the Year Ended June 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
<u>REVENUES</u>			
Intergovernmental	\$ 11,779	\$ 11,779	\$ 0
Public Support	0	25,378	25,378
Miscellaneous	0	32,552	32,552
Interest Income	0	836	836
	<u>11,779</u>	<u>70,545</u>	<u>58,766</u>
<u>EXPENDITURES</u>			
Current:			
Salaries	0	0	0
Fringe	0	0	0
Travel	0	0	0
Operating Services	0	3,641	(3,641)
Operating Supplies	0	0	0
Other Costs	0	0	0
Capital Outlay	0	11,685	(11,685)
Utility Assistance	0	0	0
	<u>0</u>	<u>15,326</u>	<u>(15,326)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>11,779</u>	<u>55,219</u>	<u>43,440</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	0	18,000	18,000
Operating Transfers Out	(11,779)	(57,430)	(45,651)
	<u>(11,779)</u>	<u>(39,430)</u>	<u>(27,651)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 0</u>	<u>15,789</u>	<u>\$ 15,789</u>
Fund Balance, Beginning of Year		<u>8,797</u>	
FUND BALANCE, END OF YEAR		<u>\$ 24,586</u>	

* The accompanying notes are an integral part of the financial statements.

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP) AND ACTUAL

SPECIAL REVENUE FUNDS

For the Year Ended June 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
<u>REVENUES</u>			
Intergovernmental	\$ 241,021	\$ 211,593	\$ (29,428)
Public Support	21,595	23,408	1,813
Miscellaneous	0	0	0
Interest Income	0	0	0
	262,616	235,001	(27,615)
<u>EXPENDITURES</u>			
Current:			
Salaries	99,218	99,074	144
Fringe	8,779	8,783	(4)
Travel	6,325	7,150	(825)
Operating Services	57,792	57,327	465
Operating Supplies	7,400	8,466	(1,066)
Other Costs	92,841	91,144	1,697
Capital Outlay	2,040	1,553	487
Utility Assistance	0	2,450	(2,450)
	274,395	275,947	(1,552)
Excess (Deficiency) of Revenues Over Expenditures	(11,779)	(40,946)	(29,167)
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	11,779	73,569	61,790
Operating Transfers Out	0	(34,139)	(34,139)
	11,779	39,430	27,651
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 0	(1,516)	\$ (1,516)
Fund Balance, Beginning of Year		6,650	
FUND BALANCE, END OF YEAR		\$ 5,134	

* The accompanying notes are an integral part of the financial statements.

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 representative parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. Jackson Council on the Aging, Inc. is a non-profit 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. The Council also receives revenues from other federal, state, and local government agencies which may impose certain restrictions upon how the Council can use the money that they have provided.

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

The primary function of Jackson Council on the 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. Such services include providing meals, nutritional education, information and referral services, legal assistance, homemaker services, operating senior centers, and transportation. A Board of Directors, consisting of 9 voluntary members who serve one to three-year terms, governs the Council.

Presentation of Statements - In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local government 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 Government Units", the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection VI-Annual Financial Reporting, accounting manual for Governor's Office of Elderly Affairs contractors; and, the Louisiana Governmental Audit Guide.

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Accounting - The accounts of Jackson Council on the Aging, Inc. are organized on the basis of funds and an account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. The Council on Aging's revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds 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.

The following types of programs comprise the Council's General Fund:

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

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

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

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

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

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Accounting, 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 "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.

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

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

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

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

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Accounting, continued -

Utility Assistance Fund - The Utility Assistance Fund is used to account for the administration of programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging to provide assistance to the elderly for the payment of their utility bills.

Title III-G Fund - The Title III-G Fund is used to account for the funds which are used to prevent abuse, neglect and exploitation of older individuals. Title III-G funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

Title XIX Fund - The Title XIX Fund is used to account for funds which are used to provide payments for medical services provided to (1) cash assistance recipients, (2) members of certain mandatory and optional groups who do not receive cash assistance, and (3) other medically needed people who qualify under program guidelines. Title XIX Funds are provided by the United States Department of Health and Human Services as direct reimbursement for cost incurred by the Council.

Title III-F Fund - Preventive Health - Title III-F funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs which "passes through" the funds of the Council. This program provides preventive health services.

Supplemental Senior Center Fund: The Louisiana Legislature appropriated additional money for various Councils on Aging through the state to be used to supplement the primary state grant for senior centers. Jackson Council on the 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.

General Fixed Assets and Long-Term Debt - 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. Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. Principal and interest payments on long-term liabilities are accounted for in the general fund because the Council intends to use general fund revenues to pay them.

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Basis of Accounting - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds, including the General and Special Revenue funds, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets.

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

Encumbrances - Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not used by Jackson Council on the Aging, Inc., in its accounting practices.

Other Financing Sources (Uses) - Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). Transfers between funds are recognized at the time of transfer.

Budget Policy - The Council follows these procedures in establishing the budgetary data reflected in 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.

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

The Board of Directors reviews and adopts the budget before June 30th of the current year for the next year.

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

All budgetary appropriations lapse at the end of each fiscal year (June 30th).

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Budget Policy, continued -

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. 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.

Expenditures cannot legally exceed appropriations on an individual level.

Amounts were not budgeted for revenues and expenses for the utility assistance fund because they were not legally required and the amount of revenues to be received under this program could not be determined.

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

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.

Long-Term Liabilities - Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. Principal and interest payments on long-term liabilities are accounted for in the general fund because the Council intends to use general fund revenues to pay them.

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Compensated Absences - Employees of Jackson Council on the Aging, Inc., earn from 12 to 21 days of annual leave each year with 10 days allowed to be carried over to the next calendar year, depending on their length of service and the employee's working status (full-time or part-time). Provided that funds are available, employees are compensated upon termination of employment for current-year accrued annual leave not to exceed 10 days. Employees earn up to 12 days of sick leave each year, and can carry over up to 60 days. Employees are not paid for accrued sick leave at termination. Although the employees' leave benefits have not been recognized and accrued at June 30, 1998, the amounts are not material to the financial statements.

Related Party Transactions - There were no related party transactions during the fiscal year.

Prepaid Expenses - The prepaid expenses consist of:

Storage	\$ 50
Maintenance and support	1,573
Insurance	<u>1,170</u>
Total	<u>\$ 2,793</u>

NOTE 2: FUNDING POLICIES AND SOURCES OF FUNDS

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

The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1, and C-2 programs. Utility assistance funds are also provided by the Louisiana Association of Council on Aging to the Council under the Helping Hands, Stripper Well programs, Heating Help, and Louisiana Outreach Energy programs. All of the above mentioned funds, including any other miscellaneous income, are recorded as revenues when the cash is received because the Council cannot predict the timing and the amount of receipt.

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 1998

NOTE 3: CASH

At June 30, 1998, the carrying amount of the Council's deposits was as follows:

Payroll - checking	\$ 99
Operating - checking	36,147
Cash in banks	<u>\$ 36,246</u>

All deposits were covered by federal depository insurance.

NOTE 4: RECEIVABLES

Grant Receivables at June 30, 1998, consisted of reimbursements for expenses incurred under the following program:

U. S. D. A.	\$ 2,528
III-F	745
Medicaid	9,631
Total	<u>\$ 12,904</u>

NOTE 5: IN-KIND CONTRIBUTIONS

The Council received various in-kind contributions during the year. These in-kind contributions have not been recorded in the financial statements as revenues, nor has the expenditure related to the use of the in-kind been recorded.

The primary in-kind contributions consisted of free rent for the administrative office, and wages and fringe benefits for volunteer workers.

NOTE 6: BOARD OF DIRECTOR'S COMPENSATION

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

NOTE 7: LEASE COMMITMENTS

There are no lease commitments.

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 1998

NOTE 8: 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.

NOTE 9: JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

There is no litigation pending against the council at June 30, 1998, nor is the Council aware of any unasserted claims.

NOTE 10: FEDERAL AWARD PROGRAMS

The Council receives revenues from various federal and state grant programs which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. 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 11: ECONOMIC DEPENDENCY

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

NOTE 12: INVENTORY

No inventory at June 30, 1998.

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 1998

NOTE 13: PENSION PLAN

All employees of Jackson Council on the Aging, Inc. are members of the Social Security System. In addition to the employee contribution withheld at 7.65 percent of gross salary, the council contributes an equal amount to the Social Security System.

NOTE 14: POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Jackson Council on the Aging, Inc. had no retired employees at June 30, 1998.

NOTE 15: ESTIMATES

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

NOTE 16: INTERFUND TRANSFERS

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

<u>Transferred In</u>	<u>C-1</u>	<u>Senior Center</u>	<u>USDA</u>	<u>Misc. Grant/ Supple. Senior Center</u>	<u>General Fund</u>	<u>Total In</u>
Title III B- Supportive Services	\$ 0	\$ 2,253	\$ 0	\$ 0	\$15,056	\$17,309
Title III C-1	0	8,486	18,900	4,500	3,990	35,876
Title III C-2	0	0	0	0	19,068	19,068
Title III D	0	0	0	0	1,316	1,316
General Fund:						
Local	0	0	0	0	18,000	18,000
Transportation	0	0	0	0	0	0
Total Out	<u>\$ 0</u>	<u>\$10,739</u>	<u>\$ 18,900</u>	<u>\$ 4,500</u>	<u>\$57,430</u>	<u>\$91,569</u>

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 1998

NOTE 17: 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 18: 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.

Saunders & Associates

Certified Public Accountants

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

Board of Directors
Jackson Council on the Aging, Inc.
Jonesboro, Louisiana

We have audited the financial statements of Jackson Council on the Aging, Inc. as of and for the year ended June 30, 1998, and have issued our report thereon dated December 9, 1998, which was qualified due to the omission of the year 2000 disclosures that are required by Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures About Year 2000 Issues*. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the organization's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted certain other matters involving the internal control over financial reporting that we have reported to management of the organization in a separate letter dated December 9, 1998.

This report is intended for the information of management, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Saunders & Associates

SAUNDERS & ASSOCIATES
Certified Public Accountant

December 9, 1998

SUPPLEMENTAL INFORMATION

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 1998

Federal Grantor/Pass Through Grantor Name/ Program Name	Federal CFDA Number	Program Or Award Amount	Revenue Recognized	Expenditures
<u>United States Department of Health and Human Services:</u>				
Passed Through the Louisiana Governor's Office of Elderly Affairs - Special Programs for the Aging:				
Title III-B Supportive Services	93.633	\$ 20,577	\$ 20,577	\$ 20,577
Title III C-1 Congregate Meals	93.635	33,240	33,240	33,240
Title III C-2 Home Delivered Meals	93.635	27,610	27,610	27,610
Title III-D In-Home Services	93.641	1,578	1,578	1,578
Title III-F Disease Prevention	93.552	1,935	1,935	1,935
Total United States Department of Health and Human Services			84,940	84,940
<u>United States Department of Agriculture:</u>				
Passed Through Louisiana Governor's Office of Elderly Affairs - Food Distribution Program - Cash-In- Lieu-Of Commodities				
	10.550	18,050	18,050	18,050
TOTAL EXPENDITUES OF FEDERAL AWARDS			\$ 102,990	\$ 102,990

* The accompanying notes are an integral part of the financial statements.

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS

For the Year Ended June 30, 1998

	Title III B Supportive Services	Title III C-1 Congregate Meals	Title III C-2 Home Delivered Meals	Senior Center
<u>ASSETS</u>				
Cash	\$ 560	\$ 3,887	\$ 3,396	\$ 184
Receivables	0	0	0	0
Prepaid Expenses	523	405	278	9
TOTAL ASSETS	\$ 1,083	\$ 4,292	\$ 3,674	\$ 193
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts Payable	\$ 382	\$ 3,256	\$ 2,746	\$ 21
Accrued Payroll	646	956	857	159
Accrued Payroll Taxes	55	80	71	13
Total Liabilities	1,083	4,292	3,674	193
Fund Equity:				
Fund Balances-Reserved For:				
Utilities Assistance	0	0	0	0
Unreserved and Undesignated	0	0	0	0
Total Fund Equity	0	0	0	0
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,083	\$ 4,292	\$ 3,674	\$ 193

* The accompanying notes are an integral part of the financial statements.

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS

For the Year Ended June 30, 1997

	Title III D In-Home Services	Title III F Disease Prevention	Utility Assistance	USDA	Total
<u>ASSETS</u>					
Cash	\$ 79	\$ (745)	\$ 5,200	\$ (2,593)	\$ 9,968
Receivables	0	745	0	2,527	3,272
Prepaid Expenses	6	0	0	0	1,221
	<u>85</u>	<u>0</u>	<u>5,200</u>	<u>(66)</u>	<u>14,461</u>
TOTAL ASSETS	<u>\$ 85</u>	<u>\$ 0</u>	<u>\$ 5,200</u>	<u>\$ (66)</u>	<u>\$ 14,461</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Liabilities:					
Accounts Payable	\$ 24	\$ 0	\$ 0	\$ 0	\$ 6,429
Accrued Payroll	56	0	0	0	2,674
Accrued Payroll Taxes	5	0	0	0	224
	<u>85</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,327</u>
Total Liabilities	<u>85</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,327</u>
Fund Equity:					
Fund Balances-Reserved For:					
Utilities Assistance	0	0	5,200	0	5,200
Unreserved and Undesignated	0	0	0	(66)	(66)
	<u>0</u>	<u>0</u>	<u>5,200</u>	<u>(66)</u>	<u>5,134</u>
Total Fund Equity	<u>0</u>	<u>0</u>	<u>5,200</u>	<u>(66)</u>	<u>5,134</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 85</u>	<u>\$ 0</u>	<u>\$ 5,200</u>	<u>\$ (66)</u>	<u>\$ 14,461</u>

* The accompanying notes are an integral part of the financial statements.

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ACTUAL - GENERAL FUND

For the Year Ended June 30, 1998

	Programs of the General Fund		
	LOCAL	PCOA (ACT 735)	Total
<u>REVENUES</u>			
Intergovernmental	\$ 0	\$ 11,779	\$ 11,779
Public Support	25,378	0	25,378
Miscellaneous	19,831	0	19,831
Interest Income	836	0	836
Rental/Lease	12,721	0	12,721
	58,766	11,779	70,545
<u>EXPENDITURES</u>			
Current:			
Salaries	0	0	0
Fringe	0	0	0
Travel	0	0	0
Operating Services	3,641	0	3,641
Operating Supplies	0	0	0
Other Costs	0	0	0
Capital Outlay	11,685	0	11,685
Utility Assistance	0	0	0
	15,326	0	15,326
Excess (Deficiency) of Revenues Over Expenditures	43,440	11,779	55,219
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	18,000	0	18,000
Operating Transfers Out	(45,651)	(11,779)	(57,430)
	(27,651)	(11,779)	(39,430)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	15,789	0	15,789
Fund Balance, Beginning of Year	8,797	0	8,797
FUND BALANCE, END OF YEAR	\$ 24,586	\$ 0	\$ 24,586

* The accompanying notes are an integral part of the financial statements.

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

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

For the Year Ended June 30, 1998

	Title III B Supportive Services	Title III C-1 Congregate Meals	Title III C-2 Home Delivered Meals	Senior Center
<u>REVENUES</u>				
Intergovernmental	\$ 40,470	\$ 58,961	\$ 65,458	\$ 20,023
Public Support	2,206	10,559	8,611	247
Miscellaneous	0	0	0	0
Interest Income	0	0	0	0
Total Revenue	<u>42,676</u>	<u>69,520</u>	<u>74,069</u>	<u>20,270</u>
 <u>EXPENDITURES</u>				
Current:				
Salaries	23,361	35,905	31,784	5,999
Fringe	2,116	3,205	2,805	466
Travel	1,518	897	4,303	0
Operating Services	14,795	21,330	16,246	2,307
Operating Supplies	2,639	3,068	2,284	415
Other Costs	15,381	40,235	35,107	333
Capital Outlay	175	756	608	11
Utility Assistance	0	0	0	0
Total Expenditures	<u>59,985</u>	<u>105,396</u>	<u>93,137</u>	<u>9,531</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(17,309)</u>	<u>(35,876)</u>	<u>(19,068)</u>	<u>10,739</u>
 <u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers In	17,309	35,876	19,068	0
Operating Transfers Out	0	0	0	(10,739)
Total Other Financing Sources (Uses)	<u>17,309</u>	<u>35,876</u>	<u>19,068</u>	<u>(10,739)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	0	0	0	0
Fund Balance, Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE, END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

* The accompanying notes are an integral part of the financial statements.

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

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

For the Year Ended June 30, 1998

	<u>Miscell- aneous Grant</u>	<u>Title III D In-Home Services</u>	<u>Title III F Disease Prevention</u>	<u>Utilities Assistance</u>
<u>REVENUES</u>				
Intergovernmental	\$ 4,500	\$ 1,856	\$ 2,276	\$ 0
Public Support	0	0	0	1,785
Miscellaneous	0	0	0	0
Interest Income	0	0	0	0
Total Revenue	<u>4,500</u>	<u>1,856</u>	<u>2,276</u>	<u>1,785</u>
<u>EXPENDITURES</u>				
Current:				
Salaries	0	2,025	0	0
Fringe	0	191	0	0
Travel	0	432	0	0
Operating Services	0	373	2,276	0
Operating Supplies	0	60	0	0
Other Costs	0	88	0	0
Capital Outlay	0	3	0	0
Utility Assistance	0	0	0	2,450
Total Expenditures	<u>0</u>	<u>3,172</u>	<u>2,276</u>	<u>2,450</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,500</u>	<u>(1,316)</u>	<u>0</u>	<u>(665)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers In	0	1,316	0	0
Operating Transfers Out	(4,500)	0	0	0
Total Other Financing Sources (Uses)	<u>(4,500)</u>	<u>1,316</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	0	0	0	(665)
Fund Balance, Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,865</u>
FUND BALANCE, END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,200</u>

* The accompanying notes are an integral part of the financial statements.

JACKSON COUNCIL ON AGING, INC.
Jonesboro, Louisiana

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

For the Year Ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over (Under) Budget</u>
<u>Title III B Supportive Services</u>			
Salaries	\$ 23,941	\$ 23,361	\$ (580)
Fringe	2,133	2,116	(17)
Travel	1,472	1,518	46
Operating Services	15,459	14,795	(664)
Operating Supplies	2,447	2,639	192
Other Costs	16,193	15,381	(812)
Capital Outlay	236	175	(61)
Subtotal Title III B	<u>61,881</u>	<u>59,985</u>	<u>(1,896)</u>
Transfers In From:			
General Fund	(16,832)	(15,056)	1,776
Senior Center	(2,534)	(2,253)	281
TOTAL TITLE III B	<u>\$ 42,515</u>	<u>\$ 42,676</u>	<u>\$ 161</u>
 <u>Title III C-1 Congregate Meals</u>			
Salaries	\$ 35,570	\$ 35,905	\$ 335
Fringe	3,173	3,205	32
Travel	724	897	173
Operating Services	21,429	21,330	(99)
Operating Supplies	2,552	3,068	516
Other Costs	40,263	40,235	(28)
Capital Outlay	996	756	(240)
Subtotal Title III C-1	<u>104,707</u>	<u>105,396</u>	<u>689</u>
Transfers In From:			
USDA	(5,843)	(18,900)	(13,057)
Miscellaneous	(4,500)	(4,500)	0
Senior Center	(8,297)	(8,486)	(189)
PCOA	(4,606)	0	4,606
General Fund	(12,500)	(3,990)	8,510
TOTAL TITLE III C-1	<u>\$ 68,961</u>	<u>\$ 69,520</u>	<u>\$ 559</u>
 <u>Title III C-2 Home Delivered Meals</u>			
Salaries	\$ 31,760	\$ 31,784	\$ 24
Fringe	2,833	2,805	(28)
Travel	3,762	4,303	541
Operating Services	15,973	16,246	273
Operating Supplies	1,974	2,284	310
Other Costs	35,933	35,107	(826)
Capital Outlay	805	608	(197)
Subtotal Title III C-2	<u>93,040</u>	<u>93,137</u>	<u>97</u>
Transfers In From:			
USDA	(12,302)	0	12,302
General Fund	0	(8,605)	(8,605)
PCOA	(5,980)	(10,463)	(4,483)
TOTAL TITLE III C-2	<u>\$ 74,758</u>	<u>\$ 74,069</u>	<u>\$ (689)</u>

* The accompanying notes are an integral part of the financial statements.

JACKSON COUNCIL ON AGING, INC.
Jonesboro, Louisiana

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

For the Year Ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over (Under) Budget</u>
<u>Senior Center</u>			
Salaries	\$ 5,911	\$ 5,999	\$ 88
Fringe	459	466	7
Travel	0	0	0
Operating Services	2,322	2,307	(15)
Operating Supplies	380	415	35
Other Costs	370	333	(37)
Capital Outlay	0	11	11
Subtotal Senior Center	<u>9,442</u>	<u>9,531</u>	<u>89</u>
Transfers Out To:			
Title III B	2,534	2,253	(281)
Title III C-1	8,297	8,486	189
TOTAL SENIOR CENTER	<u>\$ 20,273</u>	<u>\$ 20,270</u>	<u>\$ (3)</u>
<u>Title III D In-Home Services</u>			
Salaries	\$ 2,036	\$ 2,025	\$ (11)
Fringe	181	191	10
Travel	367	432	65
Operating Services	333	373	40
Operating Supplies	47	60	13
Other Costs	82	88	6
Capital Outlay	3	3	0
Subtotal Title III D	<u>3,049</u>	<u>3,172</u>	<u>123</u>
Transfers In From:			
PCOA	(1,193)	(1,316)	(123)
Senior Center	0	0	0
TOTAL TITLE III D	<u>\$ 1,856</u>	<u>\$ 1,856</u>	<u>\$ 0</u>
<u>Miscellaneous Grant</u>			
Transfers Out To:			
Title III C-1	\$ 4,500	\$ 4,500	\$ 0
Title III F	0	0	0
TOTAL MISCELLANEOUS GRANT	<u>\$ 4,500</u>	<u>\$ 4,500</u>	<u>\$ 0</u>
<u>USDA</u>			
Transfers Out To:			
Title III C-1	\$ 5,843	\$ 18,900	\$ 13,057
Title III C-2	12,302	0	(12,302)
TOTAL USDA	<u>\$ 18,145</u>	<u>\$ 18,900</u>	<u>\$ 755</u>

* The accompanying notes are an integral part of the financial statements.

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

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

For the Year Ended June 30, 1998

	<u>USDA</u>	<u>Total</u>
<u>REVENUES</u>		
Intergovernmental	\$ 18,049	\$ 211,593
Public Support	0	23,408
Miscellaneous	0	0
Interest Income	0	0
Total Revenue	<u>18,049</u>	<u>235,001</u>
 <u>EXPENDITURES</u>		
Current:		
Salaries	0	99,074
Fringe	0	8,783
Travel	0	7,150
Operating Services	0	57,327
Operating Supplies	0	8,466
Other Costs	0	91,144
Capital Outlay	0	1,553
Utility Assistance	0	2,450
Total Expenditures	<u>0</u>	<u>275,947</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>18,049</u>	 <u>(40,946)</u>
 <u>OTHER FINANCING SOURCES (USES)</u>		
Operating Transfers In	0	73,569
Operating Transfers Out	<u>(18,900)</u>	<u>(34,139)</u>
Total Other Financing Sources (Uses)	<u>(18,900)</u>	<u>39,430</u>
 Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	 (851)	 (1,516)
 Fund Balance, Beginning of Year	 <u>785</u>	 <u>6,650</u>
 FUND BALANCE, END OF YEAR	 <u>\$ (66)</u>	 <u>\$ 5,134</u>

* The accompanying notes are an integral part of the financial statements.

JACKSON COUNCIL ON AGING, INC.
Jonesboro, Louisiana

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

For the Year Ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over (Under) Budget</u>
<u>Senior Center</u>			
Salaries	\$ 5,911	\$ 5,999	\$ 88
Fringe	459	466	7
Travel	0	0	0
Operating Services	2,322	2,307	(15)
Operating Supplies	380	415	35
Other Costs	370	333	(37)
Capital Outlay	0	11	11
Subtotal Senior Center	<u>9,442</u>	<u>9,531</u>	<u>89</u>
Transfers Out To:			
Title III B	2,534	2,253	
Title III C-1	8,297	8,486	189
TOTAL SENIOR CENTER	<u>\$ 20,273</u>	<u>\$ 20,270</u>	<u>\$ (3)</u>
 <u>Title III D In-Home Services</u>			
Salaries	\$ 2,036	\$ 2,025	\$ (11)
Fringe	181	191	10
Travel	367	432	65
Operating Services	333	373	40
Operating Supplies	47	60	13
Other Costs	82	88	6
Capital Outlay	3	3	0
Subtotal Title III D	<u>3,049</u>	<u>3,172</u>	<u>123</u>
Transfers In From:			
PCCA	(1,193)	(1,316)	(123)
Senior Center	0	0	0
TOTAL TITLE III D	<u>\$ 1,856</u>	<u>\$ 1,856</u>	<u>\$ 0</u>
 <u>Miscellaneous Grant</u>			
Transfers Out To:			
Title III C-1	4,500	4,500	0
Title III F	0	0	0
TOTAL MISCELLANEOUS GRANT	<u>\$ 4,500</u>	<u>\$ 4,500</u>	<u>\$ 0</u>
 <u>USDA</u>			
Transfers Out To:			
Title III C-1	\$ 5,843	\$ 18,900	\$ 13,057
Title III C-2	12,302	0	(12,302)
TOTAL USDA	<u>\$ 18,145</u>	<u>\$ 18,900</u>	<u>\$ 755</u>

* The accompanying notes are an integral part of the financial statements.

JACKSON COUNCIL ON AGING, INC.
Jonesboro, Louisiana

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

For the Year Ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over (Under) Budget</u>
<u>Title III F. Disease Prevention</u>			
Salaries	\$ 0	\$ 0	\$ 0
Fringe	0	0	0
Travel	0	0	0
Operating Services	2,276	2,276	0
Operating Supplies	0	0	0
Other Costs	0	0	0
Capital Outlay	0	0	0
Subtotal Title III F	<u>2,276</u>	<u>2,276</u>	<u>0</u>
Transfers In From:			
Miscellaneous Grant	0	0	0
TOTAL TITLE III F	<u>\$ 2,276</u>	<u>\$ 2,276</u>	<u>\$ 0</u>

* The accompanying notes are an integral part of the financial statements.

JACKSON COUNCIL ON AGING, INC.
Jonesboro, Louisiana

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

For the Year Ended June 30, 1998

Access (30%):	Assisted Transportation	\$ 5,159	
	Case Management	3,209	
	Transportation	22,254	
	Information and Assistance	960	
	Outreach	<u>0</u>	
	Total Access Expense		\$ <u>31,582</u> 78.03%
In-Home (15%):	Homemaker	3,085	
	Chore	0	
	Telephoning	1,112	
	Visiting	0	
	Adult/Daycare/Health	0	
	Personal Care	<u>19,429</u>	
	Total In-Home Expenses		23,626 <u>58.37%</u>
Legal (5%):	Legal Assistance	0	<u>0.00%</u>
	Non-Priority Services		<u>4,777</u>
	Total Title III B - Supportive Services Expenditures		59,985
Less: Participant Contributions		(2,200)	
	Other Local Funds	(15,058)	
	Transfer In	<u>(2,253)</u>	
	Original Grant Award Net of Transfer of Contract Allotments		\$ <u>40,474</u>

* The accompanying notes are an integral part of the financial statements.

JACKSON COUNCIL ON AGING, INC.
Jonesboro, Louisiana

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

For the Year Ended June 30, 1998

	<u>Balance June 30, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1998</u>
<u>GENERAL FIXED ASSETS AT COST</u>				
Vehicles	\$ 51,872	\$ 321	\$ 0	\$ 52,193
Office Furniture and Equipment	<u>56,720</u>	<u>11,265</u>	<u>3,370</u>	<u>64,615</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 108,592</u>	<u>\$ 11,586</u>	<u>\$ 3,370</u>	<u>\$ 116,808</u>
 <u>INVESTMENT IN GENERAL FIXED ASSETS</u>				
Property Acquired Prior to July 1, 1985 **	\$ 8,078	\$ 0	\$ 3,370	\$ 4,708
Property Acquired After July 1, 1985				
With Funds From:				
Title III D In-Home Services	88	0	0	88
General Fund	42,852	11,586	0	54,438
Title III C-1	5,439	0	0	5,439
Title III C-2	10,307	0	0	10,307
Title B Supportive Services	5,208	0	0	5,208
Senior Center	6,165	0	0	6,165
Title III G	538	0	0	538
Transportation Department	22,422	0	0	22,422
Title III F	2,995	0	0	2,995
Miscellaneous Grant	<u>4,500</u>	<u>0</u>	<u>0</u>	<u>4,500</u>
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	<u>\$ 108,592</u>	<u>\$ 11,586</u>	<u>\$ 3,370</u>	<u>\$ 116,808</u>

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

* The accompanying notes are an integral part of the financial statements.

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

STATUS OF PRIOR AUDIT FINDINGS

June 30, 1998

COMPLIANCE

97-1 1099's

Condition: During the audit, it was determined that 1099's were not prepared and provided to contract labor for the year ended December 31, 1996.

Current Status: This finding can be cleared.

INTERNAL CONTROL

97-2 ANNUAL LEAVE REQUEST

Condition: The Executive Director approves her own annual leave request.

Current Status: This finding can be cleared.

* The accompanying notes are an integral part of the financial statements.

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 1998

There were no findings or questioned costs in this audit period.

* The accompanying notes are an integral part of the financial statements.

***Memorandum of Suggestions on Accounting
Procedures and System of Internal Controls***

***Jackson Council on the Aging, Inc.
Jonesboro, Louisiana***

For the Year Ended June 30, 1998

***Contact Person
G. B. SAUNDERS***

December 9, 1998

***SAUNDERS & ASSOCIATES
Certified Public Accountants
630 East 17th Street
P. O. Box 1406
Ada, Oklahoma 74820
(580) 436-5330
FAX: (580) 332-2272***

Saunders & Associates

Certified Public Accountants

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E-mail www.sndrsgrp@chickasaw.com

Board of Directors
Jackson Council on the Aging, Inc.
Jonesboro, Louisiana

The accompanying Management Letter includes suggestions for improvement of accounting procedures and internal accounting controls that came to our attention as a result of our examination of the financial statements of the Jackson Council on the Aging, Inc., Jonesboro, Louisiana, for the year ended June 30, 1998. The matters discussed herein were considered by us during our examination and do not modify the opinion expressed in our auditor's report dated December 9, 1998 on such financial statements.

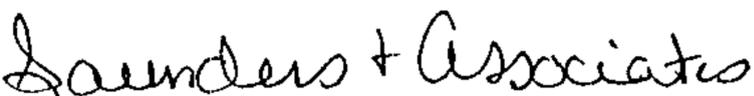
In accordance with generally accepted auditing standards we made a review of the Jackson Council on the Aging, Inc.'s system of internal accounting controls for the purpose of providing a basis for reliance thereon, in determining the nature, timing and extent of substantive testing of the June 30, 1998 financial statements. While certain matters that came to our attention during the review are presented in the accompanying Management Letter for the consideration of the Board, our review did not encompass all control procedures and techniques and was not designed for the purpose of making detailed recommendations.

The accompanying Management Letter also includes comments and suggestions with respect to other financial and administrative matters that came to our attention during the course of our examination. These matters are offered as constructive suggestions for the consideration of management as part of the ongoing process of modifying and improving accounting control and other financial and administrative practices and procedures.

The Management Letter is intended solely for the benefit of management and the board of directors, and is not to be used for any other purpose.

We wish to express our appreciation for the courtesies and cooperation extended to our representatives during the course of their work. We would be pleased to discuss these suggestions and comments in greater detail or otherwise assist in their implementation.

Sincerely,


SAUNDERS & ASSOCIATES
Certified Public Accountants

December 9, 1998

JACKSON COUNCIL ON THE AGING, INC.
Jonesboro, Louisiana

MANAGEMENT LETTER

June 30, 1998

1. SOFTWARE AND HARDWARE YEAR 2000 COMPLIANCE (Y2K)

Criteria: It is your responsibility to safeguard your assets and account for and document your financial and programmatic activities and produce accurate and timely financial statements and programmatic reports.

Condition: It appears that Jackson Council on the Aging, Inc. has discussed the Y2K compliance issues within management, however, during our examination we could not confirm that you had addressed all of your systems for Y2K compliance or developed a contingency plan.

Cause/Effect: Should you have any systems fail due to Y2K's non-compliance, you could potentially lose the ability to produce timely and accurate programmatic and financial information as well as lose control over your assets.

Recommendation: SAUNDERS & ASSOCIATES strongly recommends that Jackson Council on the Aging, Inc. review all software programs and hardware to ensure that they are Y2K compliant. Priorities should be placed on account systems and any other system that utilizes dates or are date sensitive. You should especially ensure any data base you control or have access to is Y2K compliant. You should also assess the effect of Y2K on major grantors, vendors, service providers, bankers and other third-party organizations, and how non-compliance could possibly effect you. You should consider developing a Y2K contingency plan.

2. TRAVEL ADVANCES

Criteria: It is the responsibility of management to safeguard assets and to ensure all expenditures are necessary.

Condition: During a review of travel advances, we noted one instance where an employee was given an advance for travel expenses and did not return unused portion in a timely manner.

Cause/Effect: An employee who is given an advance to cover travel and related expenses could potentially fail to return unused portion of the advance timely.

Recommendation: SAUNDERS & ASSOCIATES recommends that all advances to employees be accounted for as an employee receivable. When employee returns, an expense statement with receipts should be completed and approved by Board members. All expense statements should be submitted in a timely manner, (i.e. 30 days).

3. OUTSTANDING CHECKS

Criteria: It is the responsibility of management to periodically review any checks which are shown as outstanding for a prolonged period on the bank reconciliation.

Condition: During a review of the organization's cash accounts of June 30, 1998, we found that there were 7 checks totaling \$621.70 that had been outstanding for a prolonged period (i.e. over 6 months).

Cause/Effect: This could subsequently cause cash account balances to be misstated.

Recommendation: SAUNDERS & ASSOCIATES recommends that all checks outstanding for an unusual amount of time be investigated and written off as appropriate.