



Financial Report

Terrebonne Council on Aging, Inc.

Houma, Louisiana

June 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, orally 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. 23, 1997

TABLE OF CONTENTS

Terrabonne Council on Aging, Inc.

June 30, 1997

Page
Number

INTRODUCTORY SECTION

Title Page

i

Table of Contents

ii

Principal Officials

v

FINANCIAL SECTION

Independent Auditor's Report

1

General Purpose Financial Statements:

Exhibits

1 - Combined Balance Sheet - All Fund Types and Account Groups

3

2 - Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types

4

3 - Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General and Special Revenue Funds

5

4 - Notes to Financial Statements

7

TABLE OF CONTENTS

(Continued)

Page
Number

SUPPLEMENTARY INFORMATION SECTION

Supplementary Financial Information

Schedules

- | | |
|--|----|
| 1 - Balance Sheet - General Fund Programs | 22 |
| 2 - Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund Programs | 23 |
| 3 - Combining Balance Sheet - Special Revenue Funds | 24 |
| 4 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds | 28 |
| 5 - Schedule of Expenditures and Transfers Out - Budget and Actual | 32 |
| 6 - Comparative Statement of General Fixed Assets and Changes in General Fixed Assets | 36 |
| 7 - Findings and Questioned Costs | 37 |
| 8 - Exit Conference | 38 |

Single Audit Section

- | | |
|--|----|
| Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards | 39 |
| Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 | 41 |

TABLE OF CONTENTS

(Continued)

	Page Number
SUPPLEMENTARY INFORMATION SECTION	
<i>Single Audit Section (Continued)</i>	
Schedule of Expenditures of Federal Awards	43
Notes to Schedule of Expenditures of Federal Awards	44

PRINCIPAL OFFICIALS

Terrebonne Council on Aging, Inc.

June 30, 1997

BOARD OF DIRECTORS

	Term Expiration Date
Aaron Blanchard	December 31, 1997
Willie Borellain, Chairman	December 31, 1998
Evelyn Boudreau, Treasurer	December 31, 1997
Betty Brown	December 31, 1997
Charles Duet	December 31, 1999
Joshua Jaks, Secretary	December 31, 1998
Barbara Lefebvre	December 31, 1997
Gary Mathame	December 31, 1998
Virginia Melanson	December 31, 1998
Todd Pellegrin	December 31, 1999
Kevin Poitz	December 31, 1999
Carol Rasmont	December 31, 1998
Susan Rhoden, Vice Chairwoman	December 31, 1997
A.J. Scafide	December 31, 1997
Darry Trahan	December 31, 1997

FINANCIAL SECTION



Ernst & Young

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Terrebonne Council on Aging, Inc.,
Houma, Louisiana.

We have audited the accompanying general purpose financial statements of the Terrebonne Council on Aging, Inc. (the Council), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Terrebonne Council on Aging, Inc. as of June 30, 1997, 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 September 23, 1997 on our consideration of Terrebonne Council on Aging, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of Terrebonne Council on Aging, Inc. taken as a whole. The accompanying schedules as listed in the table of contents including the combining and individual fund and account group financial statements and schedule of expenditures of Federal awards as required by U. S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Terrebonne Council on Aging, Inc. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Burgess Bennett, L.L.C.

Certified Public Accountants

Monroe, La.,
September 23, 1997.

**COMBINED BALANCE SHEET
ALL FUNDS TYPES AND ACCOUNT GROUPS**

Troyesboro Council on Aging, Inc.

June 30, 1997

	Governmental			Account Group		Total (Miscellaneous Fund)
	Fund Types			General	Special	
	General	Special	Capital	Fund	Long-Term Obligations	
ASSETS AND OTHER DEBITS						
Assets						
Cash	\$ 180,484	\$ 177,714	\$ -	\$ -	\$ -	\$ 358,198
Investments	1,089,558	-	-	-	-	1,089,558
Receivables	-	-	-	-	-	-
Taxes	14,000	-	-	-	-	14,000
Other	30	9,260	760	-	-	10,350
Deposits	20,512	-	-	-	-	20,512
Due from other governmental units	-	17,864	11,127	-	-	28,991
Fixed assets	-	-	-	855,043	-	855,043
Other Debits						
Amount to be provided for retirement of general long-term obligations	-	-	-	-	31,517	31,517
Total assets and other debits	\$ 1,224,596	\$ 175,638	\$ 11,887	\$ 855,043	\$ 31,517	\$ 2,298,681
LIABILITIES, EQUITY AND OTHER CREDITS						
Liabilities						
Fund accounts	\$ -	\$ 25,864	\$ 11,430	\$ -	\$ -	\$ 37,294
Accounts payable and accrued expenditures	1,403	32,111	-	-	-	33,514
Deferred revenues	-	6,386	-	-	-	6,386
Due to other governmental units	84,000	127	-	-	-	84,127
Long-term obligations	-	-	-	-	31,517	31,517
Total liabilities	85,803	64,488	11,430	-	31,517	173,238
Equity and Other Credits						
Investments in place of fixed assets	-	-	-	\$ 855,043	-	855,043
Reserve balances - governmental	1,227,000	116,429	-	-	-	1,343,429
Total equity and other credits	1,227,000	116,429	-	855,043	-	2,208,472
Total liabilities, equity and other credits	\$ 1,312,803	\$ 176,917	\$ 11,430	\$ 855,043	\$ 31,517	\$ 2,298,681

Reverts to financial statements

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

Terrabona Council on Aging, Inc.

For the year ended June 30, 2007

	General	Special Revenue	Capital Projects	Total (Incommensurate Only)
Revenues				
Taxes - all revenues	\$ 928,508	\$ -	\$ -	\$ 928,508
Intragovernmental:				
State of Louisiana:				
Office of Elderly Affairs	-	531,858	-	531,858
Ac. 715	18,536	-	-	18,536
Office of Facility Planning and Control	-	-	12,727	12,727
Department of Transportation and Development	61,133	-	-	61,133
Terrabona Parish Consolidated Government	-	408	-	408
Charges for services:				
Manufactures	26,871	426,453	761	653,085
	<u>1,602,228</u>	<u>729,289</u>	<u>13,488</u>	<u>3,344,905</u>
Expenditures				
Current:				
Health and welfare:				
Scholarships	-	630,814	-	630,814
Things	-	35,000	-	35,000
Travel	182	15,423	-	15,605
Operating services	13,784	327,453	-	341,237
Operating supplies	14,403	119,992	-	134,395
Other uses	-	293,479	-	293,479
Capital outlay	89,534	2,159	-	91,693
Capital outlay:	-	-	13,488	13,488
	<u>116,227</u>	<u>1,428,817</u>	<u>13,488</u>	<u>3,588,471</u>
Excess (deficiency) of revenues over expenditures	<u>485,999</u>	<u>(700,528)</u>	<u>-</u>	<u>(214,529)</u>
Other Financing Sources (Uses)				
Operating transfers in	-	834,511	-	834,511
Operating transfers out	(714,262)	(119,749)	-	(834,011)
	<u>(714,262)</u>	<u>714,762</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	208,134	1,235	-	209,369
Fund Balances				
Beginning of year	1,048,889	308,074	-	1,356,963
End of year	<u>\$1,257,023</u>	<u>\$ 309,309</u>	<u>\$ -</u>	<u>\$1,566,332</u>

See notes to financial statements.

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

Terrebonne Council on Aging, Inc.

For the year ended June 30, 1997

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Taxes - of various			
Intergovernmental:			
State of Louisiana	\$ 850,000	\$ 928,505	\$ 78,505
Office of Elderly Affairs			
Act 735	13,500	13,500	-
Department of Transportation and Development	81,132	61,132	-
Terrebonne Parish Consolidated Government			
Charges for services			
Miscellaneous	28,355	36,051	7,696
Total revenues	<u>944,823</u>	<u>1,009,224</u>	<u>64,401</u>
Expenditures			
Current:			
Health and welfare:			
Salaries			
Fringe			
Travel		182	(182)
Operating services	25,528	11,784	13,744
Operating supplies	20,000	14,435	5,565
Other costs			
Capital outlay	100,728	89,828	10,900
Total expenditures	<u>173,848</u>	<u>116,827</u>	<u>56,971</u>
Excess (Deficiency) of revenues over expenditures	<u>770,975</u>	<u>892,397</u>	<u>121,322</u>
Other Financing Sources (Uses)			
Operating transfers in:			
Operating transfers out	(804,895)	(714,763)	90,132
Total other financing sources (uses)	<u>(804,895)</u>	<u>(714,763)</u>	<u>90,132</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(13,120)</u>	<u>208,134</u>	<u>221,254</u>
Fund Balances			
Beginning of year	1,048,889	1,048,889	-
End of year	<u>\$1,035,769</u>	<u>\$1,257,023</u>	<u>\$ 221,254</u>

See notes to financial statements.

Special Revenue Funds		
Budget	Actual	Variance Favorable (Unfavorable)
\$	\$	\$
531,644	531,058	(586)
-	-	-
-	-	-
410	405	(5)
71,140	67,285	(3,855)
<u>123,707</u>	<u>126,415</u>	<u>2,708</u>
<u>723,985</u>	<u>723,264</u>	<u>721</u>
642,950	610,014	32,936
84,583	76,080	8,503
16,580	15,423	1,157
355,989	323,453	32,536
115,608	113,992	1,616
285,495	285,479	(16)
<u>2,150</u>	<u>2,150</u>	<u>(0)</u>
<u>1,506,279</u>	<u>1,438,612</u>	<u>67,667</u>
<u>(782,274)</u>	<u>(713,408)</u>	<u>68,866</u>
890,783	894,511	(3,728)
<u>(123,888)</u>	<u>(118,748)</u>	<u>5,140</u>
<u>804,895</u>	<u>794,563</u>	<u>10,332</u>
\$ <u>22,531</u>	<u>1,355</u>	\$ <u>21,176</u>
	<u>105,870</u>	
	\$ <u>107,225</u>	

NOTES TO FINANCIAL STATEMENTS

Terrebonne Council on Aging, Inc.

June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Terrebonne Voluntary Council on the Aged (the Council) was created on April 28, 1965, under Act No. 456 of 1964, of the State of Louisiana, for the welfare of the aging people in Terrebonne Parish. On September 10, 1975, the Council was incorporated as the Terrebonne Council on Aging under the provisions of Title 12, Chapter 2 of the Louisiana Revised Statutes of 1950 to operate as a quasi-public, non-profit organization.

The accounting and reporting policies of the Council conform to generally accepted accounting principles as applicable to governments. The following is a summary of certain significant accounting policies:

a) Reporting Entity

The Council is considered a component unit of the Terrebonne Parish Consolidated Government (the Parish) and, as such, these financial statements will be included in the Comprehensive Annual Financial Report (CAFR) of the Parish for the year ended December 31, 1997.

The Council has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

b) Fund Accounting

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, fund equity, revenues, and expenditures, as appropriate.

Specific revenue sources that are legally restricted to expenditures for specified purposes or revenues for specific programs are accounted for in separate funds. All Councils on Aging receiving funds from the Governor's Office of Elderly Affairs (OEA), State of Louisiana, are required to account for these revenues separately. The various funds are grouped, in the financial statements in this report, into three general fund types and two broad fund categories as follows:

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Fund Accounting (Continued)

Governmental Funds

General Fund - The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than capital projects) that are restricted to expenditures for specified purposes.

Capital Projects Fund - Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Account Groups

The General Fixed Assets Account Group is used to account for fixed assets not accounted for in proprietary or trust funds. The General Long-Term Obligations Account Group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

c) Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement bases applied.

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized in the accounting period in which they become measurable and available as net current assets. The Council's funding policies relating to grants received from the State of Louisiana, the Terrebonne Parish Consolidated Government, the United Way and other entities are described in Note 2. Substantially all other revenues are recorded when received. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include accumulated unpaid vacation and sick pay, and other employee amounts which are not accrued.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) 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.

e) Operating Budgetary Data

The procedures utilized by the Council in establishing the budgetary data reflected in the financial statements are as follows:

1. The Governor's Office of Elderly Affairs (OEA) notifies the Council each year as to the funding levels for each program's grant award.
2. The Council staff prepares a proposed budget based on the funding levels provided by OEA and then submits the budget to the Board of Directors for approval. At the same time, budgets for all other funds are submitted for approval.
3. The Board of Directors reviews and adopts the budgets before June 30th of the current year for the next year.
4. The adopted budget for OEA funds are forwarded to OEA for final approval.
5. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.
6. Budgets are adopted on a basis consistent with generally accepted accounting principles.
7. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. There was only one amendment, effective April 17, 1997, during the year ended June 30, 1997.
8. Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
9. The Council may transfer funds between line items as often as required but must obtain prior approval from OEA for funds received under grants from this agency.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Operating Budgetary Data (Continued)

10. Expenditures cannot legally exceed appropriations on an individual fund level.
11. The Council has established policies requiring public participation in the budget process.

f) Bad Debts

The financial statements for the Council contain no allowance for bad debts. Uncollectible receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position of the Council.

g) Investments

Investments are stated at cost.

h) General Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions and construction are reflected as expenditures in governmental funds, and the related assets are reported in the General Fixed Assets Account Group.

The Account Group is not a fund. It is concerned only with the measurement of financial position. It is not involved with the measurement of results of operations. Public domain, ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, canals and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Fixed assets with an estimated historical cost amounting to approximately \$1,000 or less than one percent of the total General Fixed Assets Account Group. Donated fixed assets are valued at their estimated fair value on the date donated.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Long-Term Obligations

The accounting and reporting treatment applied to the long-term obligations associated with a fund are determined by its measurement focus. All Governmental Funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental Fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Long-term obligations expected to be financed from Governmental Funds are accounted for in the General Long-Term Obligations Account Group, not in the Governmental Funds.

Long-Term Obligations Account Group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

j) Accumulated Vacation, Compensatory Time and Sick Leave

Accumulated vacation, compensatory time and sick leave are recorded as an expenditure of the period in which paid. Sick leave can be accumulated but does not vest and, therefore, a provision has not been made for sick leave. The amount of accumulated unpaid vacation and compensatory time at June 30, 1997 is reported in the General Long-Term Obligations Account Group and detailed in Note 6.

k) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers, is not utilized by the Council.

l) Income Taxes

Tax exempt status has been granted under Internal Revenue Code Section 504(c)(3).

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecuring or nonrecurring permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

A reconciliation of operating interfund transfers for the year ended June 30, 1997 is as follows:

	Operating Transfers	
	In	Out
General Fund	\$ -	\$714,763
Special Revenue Funds	<u>834,511</u>	<u>119,748</u>
Reconciled totals	<u>\$834,511</u>	<u>\$834,511</u>

n) Memorandum Only Total Columns

Total columns on the general purpose financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

Note 2 - FUNDING POLICIES

The Council receives their monies through various methods of funding. Most of the funds are obtained on a grant basis. Under this method, funds are received on a monthly allocation of the total budget from the Office of Elderly Affairs. The following programs are conducted in this manner: Title III A, B, C-1, C-2, D and F, Ombudsman, Senior Center, State Parish (Act 735) and Audit Funds. Under the Ombudsman program, \$157 was not expended in June 30, 1997 and is included in due to other governmental units on Exhibit 1.

The Council receives funding based upon a per diem per unit of service. The Cash-In-Lieu of Commodities program, the Medicaid Application Program (Department of Health and Hospitals), the Non-Emergency Medical Transportation Program (Department of Health and Hospitals) and the Transportation Program receive funding in this manner. For reporting purposes, OEA requires USDA Cash-In-Lieu of Commodities transactions to be reported under Title III C-1 and C-2.

The Council encourages and receives contributions from clients to help offset the cost of the Title III-B, C-1, and C-2 Programs. The Council receives funds from the Parish and United Way of South Louisiana. Utility Assistance Funds are also provided by the Louisiana Association of Councils on Aging, South Louisiana Electric Cooperative Association and City of Houma under the Helping Hands Program. In addition, various fundraises are held during the year to obtain funds to help expand Council services. The timing and amounts of the receipts of public support and miscellaneous revenues are difficult to predict; therefore, they are not susceptible to accrual and are recorded as revenue in the period received.

The Council records receipts from the Parish for the 3.14 millage ad valorem tax as ad valorem tax revenue. The Parish acts as the collection agent for these taxes and accounts for these taxes on its books in an agency fund. The Parish withholds certain amounts as reimbursement of expenses that are attributable to the Council. The net revenues are forwarded to the Council for its use on an as-needed basis. As indicated in Note 3, funds not forwarded by the Parish to the Council are invested by the Parish on behalf of the Council.

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise, and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the list of January 1, 1996. Taxes are due and payable December 31 with interest being charged on payments after January 1.

Note 2 - FUNDING POLICIES (Continued)

The tax rate for the year ended December 31, 1996 was \$3.14 per 1,000 for the purpose of operating and maintaining programs for the elderly and disabled persons of Terrebonne Parish. Revenue for the year ended June 30, 1997 recognized property taxes levied November 1, 1995.

Note 3 - DEPOSITS AND INVESTMENTS

State statute authorizes the Council to invest excess funds in obligations of the United States, certificates of deposit of state banks organized under laws of Louisiana and National Banks having their principal office in Louisiana or any other federally insured investment.

The Council has an arrangement with the Parish whereby the Parish retains and invests on the Council's behalf all valuation taxes in excess of the Council's operating needs. At June 30, 1997 the Parish had invested \$741,582 for the Council. This amount is included in investments on Exhibit 1.

Bank Deposits:

The Council is a quasi-governmental entity which is not required to comply with Louisiana laws relating to collateralization of cash and investments. The Council, however, obtains collateralization for cash at financial institutions which is in excess of the FDIC insurance. Acceptable collateralization includes FDIC insurance and securities pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision, or with an unaffiliated bank, or with a trust company for the account of the political subdivision.

Cash and deposits are categorized into three categories of credit risk:

Category 1 includes deposits covered by federal depository insurance or by collateral held by the Council or its agent, in the Council's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department, or its agent in the Council's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution, or its trust department or agent, but not in the Council's name, and deposits which are uninsured or uncollateralized.

Note 3 - DEPOSITS AND INVESTMENTS (Continued)

At year end the carrying amount and the bank balances of deposits are as follows:

	Bank Balances		Bank Balance
	Category		
	1	2	
Cash	\$103,302	\$273,406	\$384,777
Certificates of deposits	<u>200,000</u>	<u>383,360</u>	<u>583,360</u>
Totals	<u>\$303,302</u>	<u>\$656,766</u>	<u>\$967,637</u>

At June 30, 1997, \$28,314 of cash and certificates of deposit were not adequately collateralized by securities held by unaffiliated banks for the account of the depositor. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities uncollateralized. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Investments:

State statutes authorize the Council to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, commercial paper rated AAA 1, 2, or 3; repurchase agreements; and the State of Louisiana Asset Management Pool.

The Council's investments are categorized to give an indication of the level of risk assumed by the entity at year end.

Category 1 includes investments that are insured or registered or for which the securities are held by the Council or its agent in the Council's name.

Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent, in the Council's name.

Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent, but not in the Council's name, uninsured and unregistered.

Note 3 - DEPOSITS AND INVESTMENTS (Continued)

At year end the carrying amount and market value of investments are as follows:

	Risk Category <u>1</u>	Carrying Amount	Market Value
Investments subject to categorization:			
Federal Farm Credit Bank Note	\$ 2,988	\$ 2,988	\$ 2,951
Federal National Mortgage Association (FNMA) Note	150,000	150,000	148,763
Federal Home Loan Bank Notes	<u>166,714</u>	<u>166,714</u>	<u>165,887</u>
	<u>\$219,702</u>	219,702	218,601
Investments not subject to categorization:			
Louisiana Asset Management Pool (LAMP)		<u>186,488</u>	<u>186,488</u>
Totals		<u>\$406,190</u>	<u>\$405,089</u>

Investments in the Louisiana Asset Management Pool are not categorized as to credit risk because they are not evidenced by securities that exist in physical or book entry form.

A reconciliation of deposits and investments as shown in the combined balance sheet is as follows:

Cash on hand	\$ 526
Carrying amount of deposits	807,677
Carrying amount of investments	<u>506,289</u>
Total	<u>\$1,339,352</u>
Cash	\$ 328,159
Investments	1,089,550
Bank overdraft	<u>(91,356)</u>
Total	<u>\$1,339,353</u>

Note 4 - DUE TO/FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at June 30, 1997 consisted of grant and contract receivables from the following:

State of Louisiana -	
Office of Elderly Affairs -	
Title HC-1 - Area Administration	\$ 4,561
Title HF - Final Elderly Services	1,685
USDA Cash-In-Lieu of Commodities	17,385
Department of Health and Hospitals -	
Department of Health and Hospitals (Medicaid Program)	714
Non-Emergency Medical Transportation Program	3,320
Office of Facility Planning and Control	<u>12,727</u>
Total	<u>\$40,992</u>

Amounts due to other governmental units at June 30, 1997 consisted of the following:

State of Louisiana -	
Office of Elderly Affairs -	
Ombudsman	\$ 157
Other local governmental units -	
Terrebonne Parish Consolidated Government	<u>56,994</u>
Total	<u>\$57,151</u>

Note 5 - GENERAL FIXED ASSETS

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

	Balance July 1, 1996	Additions	Deletions	Adjustments	Balance June 30, 1997
Buildings	\$163,743	\$ -	\$ -	\$ -	\$163,743
Office furniture, fixtures and equipment	192,920	-	499	(99,827)	192,594
Vehicles, machinery and equipment	312,866	91,087	59,625	(19,714)	323,614
Construction in progress	-----	<u>13,892</u>	-----	-----	<u>13,892</u>
Totals	<u>\$669,529</u>	<u>\$104,979</u>	<u>\$59,124</u>	<u>\$(19,541)</u>	<u>\$805,843</u>

Note 5 - GENERAL FIXED ASSETS (Continued)

A senior center building with a cost of \$158,262 has been constructed on land owned by the Cheshire Senior Citizens, Inc.

Adjustments are due to change in capitalization policy.

Construction in progress is expended primarily for engineering fees associated with the anticipated construction of a senior center building in Schriever.

Note 6 - LONG-TERM OBLIGATIONS

Long-term obligations consist of accumulated unpaid vacation and compensatory time. The following is a summary of the changes in long-term obligations of the Council for the year ended June 30, 1997:

Long-term obligations, July 1, 1996	\$31,669
Net increase	<u>1,848</u>
Long-term obligations, June 30, 1997	<u>\$33,517</u>

Note 7 - RESERVES FOR SPECIFIC PROGRAMS

During the year ended June 30, 1997, the Council allowed specific reserves at June 30, 1996 to lapse. At June 30, 1997, corresponding amounts are reported as unreserved fund balances in Special Revenue Funds. Activity in the specific reserves for the year ended June 30, 1997 is as follows:

	Balance July 1, <u>1996</u>	Activity	Balance June 30, <u>1997</u>
Helping Hand Fund	\$ 3,529	\$ (3,529)	\$ -
United Way Fund	882	(882)	-
Special Fund	42,233	(42,233)	-
Charitable Gaming Fund	36,251	(36,251)	-

Note 7 - RESERVES FOR SPECIFIC PROGRAMS (Continued)

	Balance July 1, <u>1996</u>	Activity	Balance June 30, <u>1997</u>
Exton Grant Fund	671	(671)	-
South Central Bell Grant Fund	500	(500)	-
Non-Emergency Medical Transportation Fund	<u>18,697</u>	<u>(18,697)</u>	<u>-</u>
Totals	<u>\$19,868</u>	<u>\$(19,868)</u>	<u>\$-</u>

Note 8 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following individual funds had actual expenditures and transfers out exceeding appropriations:

	Budget	Actual	Unfavorable Variance
Special Revenue Funds:			
Helping Hands Funds	\$7,043	\$8,915	\$(1,872)
Department of Health and Hospitals Fund	1,460	2,177	(717)
United Way Fund	35,830	35,915	(85)
Charitable Gaming Fund	20	713	(693)
Non-Emergency Medical Transportation Fund	36,258	50,360	(13,902)
Transportation Program Fund	25,873	34,987	(9,114)

The over expenditures were funded by available fund balances or General Fund transfers.

Note 9 - BOARD OF DIRECTORS

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

Note 10 - IN-KIND CONTRIBUTIONS

The Terrebonne Council on Aging, Inc. received various in-kind contributions during the year. The following facilities, goods and services were furnished at no cost to the Council:

- Congregate meal sites
- USDA commodities provided by the State of Louisiana
- Some storage of USDA commodities
- Volunteer services
- Volunteers' vehicle and travel
- Building usage for the main office, Bayou Towers, Neal Ranscott, Shady Oak, Bonnet Terre Village and Schriever Senior Center
- Operating supplies and services

While these contributions have not been reported, the offsetting expenditures have also not been reported.

Note 11 - JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

The Council is a defendant in a claim arising out of the discharge of an employee. Legal counsel engaged by the Council believes the Council will prevail in its defense. Accordingly, no obligation for the claim has been recognized by the Council in the financial statements.

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

Note 12 - FEDERALLY ASSISTED PROGRAMS

The Council participates in a number of federally assisted programs. These programs are audited in accordance with the Single Audit Act Amendments of 1996. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, the Council's management believes that further examinations would not result in any significant disallowed costs.

Note 12 - FEDERAL/STATE ASSISTED PROGRAMS (Continued)

In accordance with the Single Audit Act Amendments of 1996 and the Office of Management and Budget Circular A-133, a schedule of expenditures of federal awards is presented.

Note 13 - ECONOMIC DEPENDENCY

The Council receives a 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.

However, during the year ended June 30, 1997 the Council recognized property tax revenue which provided \$928,505 of additional annual revenues to the Council. This revenue helps reduce the dependency by the Council on federal and state grants. The Council also receives other miscellaneous revenues.

Note 14 - LETTER OF CREDIT

A letter of credit amounting to \$5,700 for the local matching funds of a transportation program to purchase a vehicle was outstanding at June 30, 1997. Management anticipates purchasing the vehicle in the fiscal year ending June 30, 1998, since the letter of credit expires July 1, 1998.

SUPPLEMENTARY INFORMATION SECTION

GENERAL FUND

The General Fund is used to account for all financial resources except for those required to be accounted for in another fund. Monies were derived from a 3.14 mill parish wide ad valorem tax received through the Terrebonne Parish Consolidated Government. Monies are also received from the Governor's Office of Elderly Affairs as stated in the Legislative Act 735. These monies are used for the operation and maintenance of programs of the Terrebonne Council on Aging, Inc.

BALANCE SHEET - GENERAL FUND PROGRAMS

Terrebonne Council on Aging, Inc.

June 30, 1997

	Programs of the General Fund		
	Ad Valorem Tax Monies	Act 715 Monies	Total
Assets			
Cash			
Investments	\$ 190,444		\$ 190,444
Receivables:	1,089,550		1,089,550
Taxes	14,096		14,096
Other	30		30
Deposits	<u>21,512</u>		<u>21,512</u>
Total assets	<u>\$1,315,632</u>	<u>\$ -</u>	<u>\$1,315,632</u>
Liabilities			
Accounts payable and accrued expenditures	\$ 1,615		\$ 1,615
Due to other governmental units	<u>56,994</u>		<u>56,994</u>
Total liabilities	58,609		58,609
Fund Balance			
Fund balance - unreserved	<u>1,257,023</u>		<u>1,257,023</u>
Total liabilities and fund balance	<u>\$1,315,632</u>	<u>\$ -</u>	<u>\$1,315,632</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GENERAL FUND PROGRAMS**

Terrebonne Council on Aging, Inc.

For the year ended June 30, 1997

	General Fund Programs		
	Ad Valorem Tax Monies	Act 735 Monies	Total
Revenues			
Taxes - ad valorem	\$ 928,505	\$ -	\$ 928,505
Intergovernmental:			
State of Louisiana:			
Act 735	-	13,536	13,536
Department of Transportation and Development	61,132	-	61,132
Miscellaneous:			
Project income and donations	65	-	65
Other	35,986	-	35,986
Total revenues	<u>1,025,688</u>	<u>13,536</u>	<u>1,039,224</u>
Expenditures - Health & Welfare			
Current:			
Travel	182	-	182
Operating services	11,784	-	11,784
Operating supplies	34,433	-	34,433
Capital outlay	69,928	-	69,928
Total expenditures	<u>116,327</u>	<u>-</u>	<u>116,327</u>
Excess of revenues over expenditures	<u>909,361</u>	<u>13,536</u>	<u>922,897</u>
Other Financing Uses			
Operating transfers out:			
Title III B - Supportive Services Fund	(218,291)	(13,536)	(231,827)
Title III C-1 - Congregate Meals Fund	(291,843)	-	(291,843)
Title III C-2 - Home Delivered Meals Fund	(170,475)	-	(170,475)
Title III F - Frail Elderly Assistance Fund	(387)	-	(387)
Disaster Assistance Fund	(9,401)	-	(9,401)
Special Fund	(901)	-	(901)
Transportation Program Fund	(10,329)	-	(10,329)
Total other financing uses	<u>(701,227)</u>	<u>(13,536)</u>	<u>(714,763)</u>
Excess of Revenues Over Expenditures and Other Uses	<u>208,134</u>	<u>-</u>	<u>208,134</u>
Fund Balance:			
Beginning of year	1,048,889	-	1,048,889
End of year	<u>\$1,257,023</u>	<u>\$ -</u>	<u>\$1,257,023</u>

SPECIAL REVENUE FUNDS

Title III B - Supportive Services Fund - Monies are received from the Governor's Office of Elderly Affairs for Supportive Social Services. This fund provides various services to elderly persons age 60. Services include, but are not limited to, legal assistance, outreach, transportation and personal assistance and custodial care.

Title III C-1 - Area Agency Administration Fund - Monies are received from the Governor's Office of Elderly Affairs for the Terrebonne Area Agency on Aging administrative costs.

Title III C-1 - Congregate Meals Fund - Monies are received from the Governor's Office of Elderly Affairs for the Congregate Meals Program. A nutritious noon meal is provided five (5) days a week at various locations throughout the parish for individuals age 60 and over and their spouse.

Title III C-2 - Home Delivered Meals Fund - Monies are received from the Governor's Office of Elderly Affairs for the Home Delivered Meal Program. A nutritious noon meal is provided five (5) days a week to homebound persons age 60 and over and their spouse.

Title III D - Frail In-Home Services Fund - Monies in this fund are received from the Governor's Office of Elderly Affairs to provide homemaker services to the frail elderly.

Title III F - Frail Elderly Services Fund - Monies are received from the Governor's Office of Elderly Affairs to be used for disease prevention and health promotion activities. The law directs the State agency to give priority to areas of the State which are medically underserved and in which there are a large number of older individuals who have the greatest economic and social need for such services.

USDA Cash-In-Lieu of Commodities Fund - Monies in this fund are received from the Governor's Office of Elderly Affairs for the Nutrition Program. Cash is received in-lieu of commodities. Payment is based on the number of meals served to eligible participants and applied to raw food costs. The monies are transferred to Title III C-1 - Congregate Meals Fund and Title III C-2 - Home Delivered Meals Fund.

Helping Hands Fund - Monies are received from the customer donations to the Louisiana Association of Councils on Aging, Terrebonne Parish Consolidated Government, and South Louisiana Electric Cooperation Association. These monies provide home energy assistance subsidy to low-income elderly and handicap persons.

Ombudsman Fund - Monies are received from the Governor's Office of Elderly Affairs for investigation and resolution of complaints by an impartial mediator, made by or on behalf of residents of nursing homes.

Audit Fund - Monies are received from the Governor's Office of Elderly Affairs to be used for audit costs.

SPECIAL REVENUE FUNDS (Continued)

Disaster Assistance Fund - Monies were received from the Governor's Office of Elderly Affairs to help pay for costs incurred for outreach services to people of Terrebonne Parish, Louisiana, who suffered property damages and hardships because of Hurricane Andrew. Costs are also allowed to help pay for property clean up and repairs which resulted from the hurricane. Monies were also transferred into this fund from the General Fund in 1997.

Department of Health and Hospitals Fund - The Council has been certified as a Medicaid Enrollment Center. Funds received are reimbursement of cost to complete applications.

Senior Center Fund - Monies are received from the Governor's Office of Elderly Affairs to provide various services to elderly persons age 60 years and over. Services include advocacy, education and training, health and physical fitness, recreation, information and referral, and visitations to ill clients. The monies are transferred to the Title III B - Supportive Services Fund.

United Way Fund - Monies are received from the United Way of South Louisiana to provide transportation to the handicapped and to support Senior Center and Title III Transportation services to elderly persons age 60 and over.

Special Fund - Monies are generated through special projects and donations. This fund is used for social, charitable, and athletic events scheduled for the elderly throughout the year.

Charitable Gaming Fund - Monies generated from conducting Bingo and other related gaming activities. All disbursements must be related to charitable gaming activities (prizes, supplies, equipment, operating expenses, contributions for educational, charitable, religious, patriotic and other public spirited organizations).

Exxon Grant Fund - Exxon U.S.A. Volunteer Involvement Fund - The Council received a grant to purchase a portable photograph identification system. Identification system would enable the Council to make I.D. cards for the senior citizens of this parish.

South Central Bell Grant Fund - Grant received from South Central Bell Seniors Mini Grant-Funds used for portable photograph identification card systems. Identification system would enable the Council to make I.D. cards for the senior citizens of this parish.

Non-Emergency Transportation Fund - Monies are received from the Department of Health and Hospitals for Medicaid of Louisiana program for non-emergency medical transportation. Monies are received based on per trip billing.

Transportation Program Fund - Monies are received from transportation services provided for nursing home clients and Bayou Oaks patients. Monies are received based on per trip billing.

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS

Terrebonne Council on Aging, Inc.

June 30, 1997

	Title III B Supportive Services Fund	Title III C-1 Area Agency Administration Fund	Title III C-1 Congregate Meals Fund
Assets			
Cash	\$ 2,456	\$ -	\$ 14,696
Receivables - other	-	-	-
Due from other governmental units	-	4,561	-
Total assets	<u>\$ 2,456</u>	<u>\$ 4,561</u>	<u>\$ 14,696</u>
Liabilities			
Bank overdraft	\$ -	\$ 4,561	\$ -
Accounts payable and accrued expenditures	2,456	-	14,696
Deferred revenue	-	-	-
Due to other governmental units	-	-	-
Total liabilities	2,456	4,561	14,696
Fund Balances			
Unreserved	-	-	-
Total liabilities and fund balances	<u>\$ 2,456</u>	<u>\$ 4,561</u>	<u>\$ 14,696</u>

<u>Title III C-2 - Home Delivered Meals Fund</u>	<u>Title III D-Frail In-Home Services Fund</u>	<u>Title III F-Frail Elderly Services Fund</u>	<u>USDA Cash- In-Lieu of Commodities Fund</u>	<u>Helping Hands Fund</u>	<u>Ombudsman Program Fund</u>	<u>Audit Fund</u>
\$ 14,405		\$ -	\$ -	\$ 1,175	\$ 213	
-		-	-	-	-	
<u>14,405</u>		<u>1,685</u>	<u>17,385</u>	<u>-</u>	<u>-</u>	
<u>\$ 14,405</u>	<u>\$ -</u>	<u>\$ 1,685</u>	<u>\$ 17,385</u>	<u>\$ 1,175</u>	<u>\$ 213</u>	<u>\$ -</u>
\$ -		\$ 1,685	\$ 17,385		\$ -	
14,405		-	-		56	
-		-	-		-	
<u>14,405</u>		<u>1,685</u>	<u>17,385</u>		<u>157</u>	
					213	
-		-	-	1,175	-	
<u>\$ 14,405</u>	<u>\$ -</u>	<u>\$ 1,685</u>	<u>\$ 17,385</u>	<u>\$ 1,175</u>	<u>\$ 213</u>	<u>\$ -</u>

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS

Terrebonne Council on Aging, Inc.

June 30, 1987

	<u>Disaster Assistance Fund</u>	<u>Department of Health and Hospitals Fund</u>	<u>Senior Center Fund</u>	<u>United Way Fund</u>
Assets				
Cash	\$ 15,587	\$ -		\$ -
Receivables - other	-	-		5,008
Due from other governmental units	-	714		-
Total assets	<u>\$ 15,587</u>	<u>\$ 714</u>	<u>\$ -</u>	<u>\$ 5,008</u>
Liabilities				
Bank overdraft	\$ -			\$ 3,718
Accounts payable and accrued expenditures	-			190
Deferred revenue	6,186			-
Due to other governmental units	-			-
Total liabilities	<u>6,186</u>			<u>5,008</u>
Fund Balances				
Unreserved	<u>9,401</u>	<u>714</u>		<u>-</u>
Total liabilities and fund balances	<u>\$ 15,587</u>	<u>\$ 714</u>	<u>\$ -</u>	<u>\$ 5,008</u>

<u>Special Fund</u>	<u>Charitable Gaming Fund</u>	<u>Excess Grant Fund</u>	<u>South Central Bell Fund</u>	<u>Non-Emergency Medical Transportation Fund</u>	<u>Transportation Program Fund</u>	<u>Total</u>
\$ 49,745	\$ 35,077	\$ 671	\$ 500	\$ 3,150	\$ -	\$ 137,715
-	637	-	-	-	2,784	9,269
-	-	-	-	3,520	-	27,865
<u>\$ 49,745</u>	<u>\$ 35,714</u>	<u>\$ 671</u>	<u>\$ 500</u>	<u>\$ 6,710</u>	<u>\$ 2,784</u>	<u>\$ 174,849</u>
				\$ -	\$ 515	\$ 29,894
				357	33	32,313
				-	-	6,186
				-	-	157
				357	568	68,420
<u>\$ 49,745</u>	<u>\$ 35,714</u>	<u>\$ 671</u>	<u>\$ 500</u>	<u>6,358</u>	<u>2,126</u>	<u>106,429</u>
<u>\$ 49,745</u>	<u>\$ 35,714</u>	<u>\$ 671</u>	<u>\$ 500</u>	<u>\$ 6,710</u>	<u>\$ 2,784</u>	<u>\$ 174,849</u>

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS**

Terraviva Council on Aging, Inc.

For the year ended June 30, 1997

	Title 81 B Supportive Services Fund	Title 81 C-1 Area Agency Administration Fund	Title 81 C-1 Congregate Meals Fund
Revenues			
Intergovernmental			
State of Louisiana:			
Office of Elderly Affairs	\$ 161,203	\$ 18,981	\$ 87,860
Terraviva Parish Consolidated Government	-	-	-
Charges for services	-	-	-
Miscellaneous:			
Project income and donations	15,073	3	20,565
Grants	-	-	-
Other	4,734	-	800
Total revenues	<u>181,000</u>	<u>28,984</u>	<u>117,174</u>
Expenditures - Health & Welfare			
Current:			
Salaries	189,416	14,277	94,378
Fringe	40,811	1,899	16,559
Travel	5,282	534	1,000
Operating services	130,284	10,730	95,094
Operating supplies	22,807	1,512	48,064
Other costs	-	68	144,972
Capital outlay	-	-	-
Total expenditures	<u>411,610</u>	<u>38,810</u>	<u>448,726</u>
Excess (Deficiency) of revenues over expenditures	<u>(230,610)</u>	<u>-</u>	<u>(331,552)</u>
Other Financing Sources (Uses)			
Operating transfers in:			
General Fund (Ad Valorem Tax Merit)	218,291		291,841
General Fund (Ad Val Tax Merit)	13,596		-
Department of Health and Hospitals Fund	2,177		-
Senior Center Fund	58,153		-
LSOSA Cash-in-Lieu of Commodities Fund	-		31,345
United War Fund	4,883		-
Operating transfers out:			
Title 81 B - Supportive Services Fund	-		-
Title 81 C-1 - Congregate Meals Fund	-		-
Title 81 C-2 - Home Delivered Meals Fund	-		-
Total other financing sources (uses)	<u>284,907</u>		<u>323,186</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>-</u>		<u>-</u>
Fund Balances			
Beginning of year	-	-	-
End of year	\$ -	\$ -	\$ -

Title III C-3 - Home Delivered Initial Fund	Title III D-Fund In-Home Services Fund	Title III F-Fund Elderly Services Fund	USDA Cash- in-Kind of Commodity Fund	Helping Hands Fund	Outreach Program Fund	Adult Fund
\$ 172,899	\$ 3,231	\$ 3,056	\$ 61,625	\$ -	\$ 7,188	\$ 3,323
-	-	-	-	486	-	-
13,713	-	-	-	-	-	-
351	-	88	-	4,115	-	-
<u>186,962</u>	<u>3,231</u>	<u>3,144</u>	<u>61,625</u>	<u>4,601</u>	<u>7,188</u>	<u>3,323</u>
87,675	-	440	-	-	3,648	-
9,649	-	54	-	-	672	-
1,129	-	8	-	-	1,837	-
68,623	3,231	123	-	-	388	3,323
32,968	-	2,864	-	-	81	-
136,256	-	-	-	8,913	-	-
-	-	3,332	-	-	-	-
<u>235,518</u>	<u>3,231</u>	<u>3,731</u>	-	<u>8,913</u>	<u>3,186</u>	<u>3,323</u>
(280,557)	-	(387)	61,625	(1,312)	-	-
176,875	-	387	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
28,881	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	(11,762)	-	-	-
-	-	-	(37,882)	-	-	-
<u>280,317</u>	-	<u>387</u>	<u>(61,625)</u>	-	-	-
-	-	-	-	(2,544)	-	-
-	-	-	-	3,378	-	-
\$ _____	\$ _____	\$ _____	\$ _____	\$ 1,173	\$ _____	\$ _____

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS**

Terrabone Council on Aging, Inc.

For the year ended June 30, 1997

	Director Assistance Fund	Department of Health and Hospitals Fund	Senior Center Fund	United Way Fund
Revenues				
Intergovernmental:				
State of Louisiana:				
Office of Elderly Affairs		\$ -	\$ 51,100	\$ -
Terrabone Parish Consolidated Government		-	-	-
Change for services	1,470	-	-	-
Individuals:				
Project income and donations	-	-	-	36
Grant	-	-	-	24,939
Other	2	-	-	17
Total revenues	<u>1,472</u>	<u>51,100</u>	<u>-</u>	<u>25,000</u>
Expenditures - Health & Welfare				
Current:				
Salaries				19,150
Fringe				2,118
Travel				341
Operating services				2,821
Operating supplies				2,767
Other costs				-
Capital outlay				-
Total expenditures				<u>21,197</u>
Excess (deficiency) of revenues over expenditures	<u>1,477</u>	<u>51,100</u>	<u>-</u>	<u>2,803</u>
Other Financing Sources (Uses)				
Operating transfers in:				
General Fund (incl. Veterans Tax Matter)	\$9,400	-	-	-
General Fund (incl. TSO Matter)	-	-	-	-
Department of Health and Hospitals Fund	-	-	-	-
Senior Center Fund	-	-	-	-
USDA Cash/In-Kind of Commodities Fund	-	-	-	-
United Way Fund	-	-	-	-
Operating transfers out:				
Title II B - Supportive Services Fund	-	(2,175)	(5,100)	(4,843)
Title II C-1 - Congregate Meals Fund	-	-	-	-
Title II C-2 - Home Delivered Meals Fund	-	-	-	-
Total other financing sources (uses)	<u>9,400</u>	<u>(2,175)</u>	<u>(5,100)</u>	<u>(4,843)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>9,400</u>	<u>(790)</u>	<u>-</u>	<u>(840)</u>
Fund Balances				
Beginning of year	-	1,818	-	892
End of year	<u>\$9,400</u>	<u>\$ 1,028</u>	<u>\$ -</u>	<u>\$ -</u>

Special Fund	Charitable Gaming Fund	Excess Game Fund	South Coast Bell Fund	Non - Emergency Medical Transportation Fund	Transportation Program Fund	Total
\$ -	\$ -			\$ -	\$ -	\$ 151,058
-	-			-	-	48
-	-			35,823	26,787	62,610
14,618	156			3	-	75,133
-	-			-	-	41,328
<u>3,835</u>	<u>-</u>			<u>35</u>	<u>3</u>	<u>12,217</u>
<u>28,044</u>	<u>156</u>			<u>35,858</u>	<u>26,794</u>	<u>712,204</u>
-	-			33,465	15,348	618,034
-	-			3,218	1,853	76,091
1,424	-			307	78	15,423
5,818	12			12,516	11,738	323,483
5,635	788			3,864	2,855	113,982
3,253	-			-	-	250,478
-	-			-	-	3,128
<u>16,134</u>	<u>712</u>			<u>50,166</u>	<u>34,987</u>	<u>1,408,613</u>
<u>4,314</u>	<u>(217)</u>			<u>(18,344)</u>	<u>(8,181)</u>	<u>(213,408)</u>
381					18,329	781,212
-					-	12,314
-					-	2,077
-					-	51,338
-					-	61,675
-					-	4,813
-					-	(58,133)
-					-	(51,743)
-					-	(28,823)
<u>308</u>					<u>18,329</u>	<u>714,763</u>
4,615	(517)	\$ -	\$ -	(28,348)	2,334	1,553
<u>41,183</u>	<u>76,241</u>	<u>571</u>	<u>808</u>	<u>14,627</u>	<u>-</u>	<u>309,024</u>
<u>\$ 89,743</u>	<u>\$ 77,724</u>	<u>\$ 571</u>	<u>\$ 808</u>	<u>\$ 5,123</u>	<u>\$ 2,136</u>	<u>\$ 106,478</u>

**SCHEDULE OF EXPENDITURES AND TRANSFERS OUT -
BUDGET AND ACTUAL**

Terrebonne Council on Aging, Inc.

For the year ended June 30, 1997

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
General Fund (All Valorem Tax Money)			
Travel	\$ -	\$ 182	\$ (182)
Operating services	23,320	11,784	11,536
Operating supplies	20,000	14,433	5,567
Capital outlay	100,728	89,928	10,800
Operating transfers out:			
Title III A - Area Agency Administration Fund	3,253	-	3,253
Title III B - Supportive Services Fund	272,772	218,201	54,571
Title III C-1 - Congregate Meals Fund	314,070	281,843	22,227
Title III C-2 Home Delivered Meals Fund	181,545	170,475	11,470
Title III F-Frail Elderly Assistance Fund	822	587	235
Disaster Assistance Fund	9,401	9,401	-
Oralbrushing Program Fund	641	-	641
Special Fund	1,337	901	1,026
Transportation Program Fund	7,118	10,309	(3,210)
Totals	<u>\$ 944,607</u>	<u>\$ 817,554</u>	<u>\$ 126,853</u>
General Fund (Act 735 Money)			
Operating transfers out:			
Title III B - Supportive Services Fund	<u>\$ 13,536</u>	<u>\$ 13,328</u>	<u>\$ -</u>
Title III B - Supportive Services Fund			
Salaries	\$ 350,437	\$ 289,416	\$ 41,021
Fringe	43,283	40,021	3,262
Travel	9,603	9,282	321
Operating services	121,545	110,284	11,261
Operating supplies	22,518	22,007	1,511
Totals	<u>\$ 528,666</u>	<u>\$ 471,010</u>	<u>\$ 57,656</u>

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Title III C-1 - Area Agency Administration Fund			
Salaries	15,452	14,317	1,135
Fringe	2,005	1,899	115
Travel	359	534	(175)
Operating services	12,912	10,720	2,192
Operating supplies	1,456	1,512	(56)
Other costs	-	63	(63)
Totals	\$ 32,184	\$ 28,936	\$ 3,248
Title III C-1 - Congregate Meals Fund			
Salaries	\$ 150,791	\$ 145,278	\$ 5,513
Fringe	19,809	18,339	1,470
Travel	2,070	1,491	679
Operating services	101,103	91,694	9,409
Operating supplies	42,328	40,444	1,884
Other costs	144,979	144,922	57
Totals	\$ 461,080	\$ 440,768	\$ 20,312
Title III C-2 - Home Delivered Meals Fund			
Salaries	\$ 97,636	\$ 87,673	\$ 9,963
Fringe	12,898	9,649	3,249
Travel	1,385	1,139	246
Operating services	77,426	68,822	8,604
Operating supplies	32,047	32,968	(921)
Other costs	132,730	136,276	(3,546)
Totals	\$ 354,922	\$ 336,529	\$ 18,393
Title III B - Frail In-Home Services Fund			
Operating services	\$ 3,231	\$ 3,231	\$ -
Title III F - Frail Elderly Services Fund			
Salaries	\$ 439	\$ 403	\$ 36
Fringe	57	54	3
Travel	10	8	2
Operating services	274	123	151
Operating supplies	2,948	2,984	(36)
Capital outlay	2,150	2,159	(9)
Totals	\$ 5,878	\$ 5,731	\$ 147

	Budget	Actual	Variance Favorable (Unfavorable)
USDA Cash-In-Lines of Commodities Fund			
Operating transfers out:			
Title III C-1 - Congregate Meals Fund	\$ 31,700	\$ 31,743	\$ (43)
Title III C-2 - Home Delivered Meals Fund	20,358	20,882	476
Totals	\$ 52,058	\$ 52,625	\$ 433
Helping Hands Fund			
Other costs	\$ 7,845	\$ 8,915	\$ (1,870)
Outbidman Program Fund			
Salaries	\$ 4,861	\$ 5,048	\$ (187)
Fringe	641	832	9
Travel	1,106	1,027	179
Operating services	1,089	398	691
Operating supplies	89	91	(2)
Totals	\$ 7,986	\$ 7,396	\$ 790
Audit Fund			
Operating services	\$ 3,232	\$ 3,232	\$ -
Department of Health and Hospitals Fund			
Operating transfer out:			
Title III B - Supportive Services Fund	\$ 1,480	\$ 2,177	\$ (777)
Senior Center Fund			
Operating transfer out:			
Title III B - Supportive Services Fund	\$ 51,132	\$ 51,132	\$ -
United Way Fund			
Salaries	\$ 13,231	\$ 19,152	\$ (5,921)
Fringe	1,746	2,119	(279)
Travel	66	241	(175)
Operating services	6,934	7,873	(939)
Operating supplies	1,762	1,717	45
Operating transfer out:			
Title III B - Supportive Services Fund	11,297	4,813	6,484
Totals	\$ 35,036	\$ 35,915	\$ (885)

Schedule 5
(Continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Special Fund			
Travel			
Operating services	\$ 1,650	\$ 1,424	\$ 226
Operating supplies	5,840	5,818	22
Other costs	5,878	5,625	253
	<u>3,241</u>	<u>3,253</u>	<u>488</u>
Totals	\$ 17,201	\$ 16,130	\$ 1,071
Charitable Gaming Fund			
Operating services	30	13	17
Operating supplies	-	768	(768)
Totals	\$ 30	\$ 713	\$ (683)
Non-Emergency Medical Transportation Fund			
Salaries	\$ 18,936	\$ 20,465	\$ (1,529)
Fringe	3,495	3,211	(284)
Travel	100	897	(797)
Operating services	11,922	13,516	(1,594)
Operating supplies	2,884	2,881	3
Totals	\$ 36,258	\$ 50,160	\$ (13,902)
Transportation Program Fund			
Salaries	\$ 11,177	\$ 10,368	\$ (809)
Fringe	1,469	1,957	(488)
Travel	71	70	1
Operating services	10,470	11,719	(1,249)
Operating supplies	2,686	2,853	(167)
Totals	\$ 25,873	\$ 34,967	\$ (9,094)

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

Terrebonne Council on Aging, Inc.

For the years ended June 30, 1997 and 1996

	Balance July 1, 1996	Additions	Deletions	Adjustments	Balance June 30, 1997
General Fixed Assets, at Cost					
Buildings	\$ 163,343	\$ -	\$ -	\$ -	\$ 163,343
Office furniture, fixtures and equipment	182,920	-	489	(39,827)	142,604
Vehicles, machinery and equipment	532,866	52,087	99,625	(15,314)	570,014
Construction in progress	-	13,482	-	-	13,482
Total general fixed assets	\$ 869,129	\$ 185,579	\$ 100,114	\$ (15,541)	\$ 939,041
Investment in General Fixed Assets:					
Property acquired with funds from -					
General and Other Funds	\$ 384,981	\$ 89,528	\$ 56,218	\$ (20,818)	\$ 509,891
Building Fund	-	13,482	-	-	13,482
Title III C-1 - Adult Agency Administration	115	-	-	(175)	-
Title III B - Supportive Services	18,773	-	-	(5,345)	13,428
Title III C - 1 - Congregate Meals	18,239	-	288	(7,123)	10,896
Title III C - 2 - Home Delivered Meals	3,731	-	1,298	(9,483)	-
Title III F - Food Elderly Assistance	2,731	2,199	-	(2,731)	2,199
Senior Citizens Senior Center	189,980	-	1,082	(9,390)	179,508
Senior Center	11,821	-	1,328	(4,483)	6,010
Ombudsman	3,428	-	-	-	3,428
Disaster Assistance	34,818	-	-	(1,845)	32,973
Total investment in general fixed assets	\$ 655,122	\$ 185,579	\$ 60,114	\$ (19,541)	\$ 811,041

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

For the year ended June 30, 1997

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Terrebonne Council on Aging, Inc.
2. There were no reportable conditions disclosed during the audit of the general purpose financial statements.
3. No instances of non-compliance material to the general purpose financial statements of Terrebonne Council on Aging, Inc. were disclosed during the audit.
4. There were no reportable conditions disclosed during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs for Terrebonne Council on Aging, Inc. expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for Terrebonne Council on Aging, Inc. are reported in Part C of this Schedule.
7. The programs tested as major programs include:

Title III B - Supportive Services	CFDA No. 93.044
Oraludeman Program	CFDA No. 93.044
8. The threshold for distinguishing Types A and B programs was \$100,000.
9. Terrebonne Council on Aging, Inc. was determined to be a low-risk auditee.

B. Findings - Financial Statements Audit

There were no findings disclosed during the audit of the general purpose financial statements.

C. Findings and Questioned Costs - Major Federal Award Programs Audit

There were no findings or questioned cost disclosed during the year.

EXIT CONFERENCE**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 1997

On November 3, 1997, Michelle A. Gauthreaux and Daniel J. Troopler from Bourgeois Bennett, L.L.C., Certified Public Accountants, met with Diana Edmondson, Director and Marla Brown, Bookkeeper of the Terrebonne Council on Aging, Inc.

The current year's financial report was presented and various items contained within the report were discussed in detail.

The Council was asked to review the information in the Findings and Questioned Costs (Schedule 7).



Bourgeois Bennett

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

To the Board of Directors,
Terrebonne Council on Aging, Inc.,
Houma, Louisiana.

We have audited the general purpose financial statements of the Terrebonne Council on Aging, Inc. (the Council), a component unit of Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated September 23, 1997. 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 Council's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

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

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

Bourgeois Bennett, LLC

Certified Public Accountants

Houma, La.,
 September 23, 1997.



TERRABONA COUNCIL ON AGING

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

To the Board of Directors,
Terrabona Council on Aging, Inc.,
Houma, Louisiana.

Compliance

We have audited the compliance of the Terrabona Council on Aging, Inc. (the Council), a component unit of Terrebonne Parish Consolidated Government, State of 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, 1997. The Council's major federal programs are identified in the summary of audit 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 Council's management. Our responsibility is to express an opinion on the Council's compliance based on our audit.

We conducted our 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, *Audit of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we 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 Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Council's compliance with these requirements.

In our opinion, the Council 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, 1997.

Internal Control Over Compliance

The management of the Council 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 our audit, we considered the Council's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the Board of Directors, management, Legislative Auditor for the State of Louisiana and various federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.

Bouguin Bennett, L.L.C.

Certified Public Accountants

Houma, La.,
September 23, 1997.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Terrebonne Council on Aging, Inc.

For the year ended June 30, 1997

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Agency or Pass Through, Grantor's Number	Federal Expenditures
Department of Health and Human Services:			
Passed Through the Louisiana Governor's			
Office of Elderly Affairs:			
Special Programs for the Aging:			
Title III B - Supportive Services	93.044	133-708121-00/ CFR65318992	\$ 82,867
Title III C-1 - Area Agency Administration	93.045	133-708121-00/ CFR65318992	21,698
Title III C-1 - Congregate Meals	93.045	133-708121-00/ CFR65318992	38,808
Title III C-1 - Home Delivered Meals	93.045	133-708121-00/ CFR65318992	28,548
Title III D - Meal In-Home Services	93.046	133-708121-00/ CFR65318992	3,346
Title III F - Meal Elderly Assistance	93.043	133-708121-00/ CFR65318992	3,976
Ombudsman Program	93.044	N/A	6,119
Total Department of Health and			
Human Services			228,344
Department of Agriculture:			
Passed Through the Louisiana Governor's			
Office of Elderly Affairs:			
U.S.D.A. - Cash for-Less of Commodities	18.570	133-198138/ CFR65318987	61,625
Department of Transportation:			
Passed Through the Louisiana			
Department of Transportation and Development			
UMTA-Non Urbanized Area Public	28.513	LA-06-0272/ Tid-99-0258	61,132
Transportation Program			
Total			\$ 350,009

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Terrebonne Council on Aging, Inc.

June 30, 1997

Note 1 - SCOPE OF AUDIT PURSUANT TO OMB CIRCULAR A-133, SINGLE AUDIT ACT AMENDMENTS OF 1996

All Federal grant awards of the Terrebonne Council on Aging, Inc. are included in the scope of the OMB Circular A-133, Single Audit Act Amendments of 1996. The United States Department of Health and Human Services is the federal oversight agency for the single audit.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting.



Ernst & Young

COMMUNICATIONS WITH BOARD OF DIRECTORS

To the Board of Directors of the
Terrebonne Council on Aging, Inc.
Houma, Louisiana

In fulfilling our responsibility as Terrebonne Council on Aging, Inc.'s auditors for the year ended June 30, 1997, we are required to communicate to the Board of Directors certain matters related to the conduct of our audit.

1) AUDITOR'S RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS AND GOVERNMENT AUDITING STANDARDS

Our audit was conducted 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 the provisions of the Office of Management and Budget (OMB) Circular A-133, *Audits of State, Local Governments and Non-Profit Organizations* which require that we plan and perform the audit to obtain reasonable assurance about whether the statements are free of material misstatements.

As required, letters have been issued on internal control over financial reporting and compliance with laws and regulations.

We have complied with the requirements of the Single Audit Act and OMB Circular A-133.

2) SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are described in Note 1 to the financial statements. No new accounting policies were adopted nor required to be adopted for the year ended June 30, 1997.

3) SIGNIFICANT AUDIT ADJUSTMENTS

We initiated audit adjustments during our recent audit. Copies have been furnished to management.

This information is intended solely for the use of the Board of Directors and management of the Council and should not be used for any other purpose.

Bourgeois Bennett, LLC.

Certified Public Accountants

Houston, La.,
September 23, 1997.