

**Financial Report****East Baton Rouge Council on Aging, Inc.  
Baton Rouge, Louisiana****June 30, 2010**

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

Release Date 6/8/11**Michael R. Choate & Company, CPAs  
2915 S. Sherwood Forest Blvd., Ste B  
Baton Rouge, Louisiana 70816**

**Financial Report**

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

**June 30, 2010**

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Baton Rouge, Louisiana**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**East Baton Rouge Council on Aging, Inc.**

The "Management's Discussion and Analysis" of the East Baton Rouge Council on Aging, Inc.'s (the Council) financial performance presents a narrative overview and analysis of the Council's financial activities for the year ended June 30, 2010. This report highlights the current year's activities, resulting changes, and relevant facts. Please read this report in conjunction with basic financial statements, which follow this section.

Fiscal year 2010 has been exciting for EBRCOA in many respects. Client participation is good and clients seem to be satisfied. At midyear of the fiscal year 2010 the Agency went through a major reorganization of closing the kitchen and bidding out the meals programs. The adjustment by clients was made with ease and few complications. The agency anticipates to continue to make progress in Fiscal year 2011.

**FINANCIAL HIGHLIGHTS** (see condensed statements on page 6)

- The Council's Government Wide total assets exceeded its total liabilities at the close of fiscal year 2010 by \$ 27,682.
- Operating cash was \$ 33,439 at June 30, 2010 compared to \$ 149,130 at June 30, 2009. This is an decrease of \$ 115,691 or 77%. Moreover, \$ 67,207 of the cash balance is "restricted" for utility assistance.
- **Changes in Revenue 2010 vs 2009**  
Unlike Fiscal year 2009, there was no infusion of \$182,682 from the Trust to help alleviate expenses. The agency saw an increase in program income for Fiscal year 2010 of about \$ 62,000. Total revenue decreased by \$(69,379). Excluding Utility Assistance Fund, revenue decreased \$(110,930)
- **Changes in Expenses 2010 vs 2009**  
Salaries and travel (mileage) decreased due to outsourcing the meals programs. Total decrease of about \$ 113,000.

Raw Food increased as a result of the change in the meals programs. This expense increase is a combination of remaining raw food being donated to St. Vincent DePaul and the prepackaged meals transition costs and serving control issues. Expense increased about \$ 33,000.

Accounting fees decreased as a result of more accounting duties performed in-house as opposed to being outsourced. Cost saving of about \$15,500.

RSVP program has been discontinued resulting in a decrease in expenses of about \$ 11,500.

Total expenses decreased by \$ (54,652) for the year June 30, 2010. (Excluding utility assistance fund).

- The combined decrease in fund balances for the year ended June 30, 2010 is \$(185,525). This is compared to June 30, 2009 decrease of \$ (66,765).
- The Council's General Fund reported a decrease in fund balance of \$ (97,809) compared to a decrease of \$ (43,247) for 2009.

### **OVERVIEW OF THE FINANCIAL STATEMENTS – What's included**

This discussion and analysis is intended to serve as an overview to the Council's basic financial statements. The Council's annual report consists of five parts: (1) management's discussion and analysis (this section) (2) basic financial statements (3) required supplementary information, and (4) the optional section that presents combining statements for non-major governmental funds and other supplementary information and (5) various governmental compliance reports and schedules by certified public accountants and management.

The basic financial statements include two kinds of statements that present different views of the Council:

#### **Government-wide Financial Statements**

The government-wide financial statements (see Exhibits A and B) are designed to provide readers with a broad overview of the Council's finances, in a manner similar to a private sector business. The **statement of net assets** presents information on all of the Council's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating. The **statement of activities** presents information showing how the Council's net assets change during each fiscal year (revenues less expenditures). All changes in net assets are reported as soon as the financial transaction occurs regardless of the timing of the related cash flows. Thus, revenues and expenditures are reported in this statement this fiscal year even though the resulting cash flow is in future fiscal years. The governmental activity of the Council is health and welfare which is comprised of various programs that include supportive services, nutritional services, utility assistance disease prevention, caregiver support and a multipurpose senior center in East Baton Rouge Parish, Louisiana.

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Council are governmental funds.

## **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current year inflows and outflows of cash, as well as on balances of spendable resources available at the end of the fiscal year. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to help with this comparison between governmental funds and governmental activities. (Exhibit D and E)

The Council has presented the General Fund, Title III B – Supportive Services Fund, Title III C-1- Congregate Meals Fund, Title III C-2 – Home Delivered Meals Fund, Title III D, Title III E, USDA and Senior Center Fund as major funds. (Exhibit C & D) All non-major governmental funds are presented in one column, titled "Total Non-Major Funds". Combining financial statements of the non-major funds can be found in the Combining Fund Statements that follow the basic financial statements (Page 47).

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted budget (Pages 37 to 45). In addition to these required elements, the Council has a section of supplementary information. The Governor's Office of Elderly Affairs (GOEA) has required the Council to present combining statements that provide details about our non-major governmental funds and details about capital assets and the changes in capital assets. This information will be used by GOEA to verify the accuracy of information submitted to them during the year and to help monitor certain compliance requirements set forth in the grants that it has with the Council (Page 47, 51).

The Office of Management and Budget (OMB) through its Circular A-133 requires a Schedule of Expenditures of Federal Awards. This schedule will present required information about the Council's federally funded programs in a manner that can facilitate financial and compliance analysis by the agencies that have granted federal money. (Page 53)

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets serve as a useful indicator of the Council's financial position. As of June 30, 2010, assets exceeded liabilities by \$ 27,682 as compared to prior year of \$ 90,864. This is a decrease of \$ (63,182).

### **Special Revenue Fund Budgetary Highlights**

The budget is amended during the course of the fiscal year to comply with requirements of Governor's Office of Elderly Affairs.

The budget was amended one time during the year. The primary reasons for amending the budget were to comply with the Council's grants for GOEA due to unanticipated changes in revenue and expenditures. The major differences between the original Special Revenue Fund budget and the final amended budget were as follows:

Revenues	
• GOEA Increased	\$ 28,307
• City of Baton Rouge grant decreased	( 40,550)
• Public Support & Fees	( 19,850)
• Fundraising and Sales decreased	(257,000)
• Program Service Fees	92,315
Expenditures	
• Personnel and fringe decreased	(227,543)
• Services decreased	( 6,582)
• Supplies increased	7,010
• Travel decreased	(38,000)
• Other expenses increased	21,250
• Meals increased	37,000

Required supplementary information budgetary comparison schedules were prepared for the General Fund and each major Special Revenue Fund (Page 40  
048)

### **CAPITAL ASSETS**

The Council's investment in capital assets for its governmental activities as of June 30, 2010, amounts to \$ 223,918 (net accumulated depreciation). This investment in capital assets includes office furniture, fixtures, vehicles, machinery and equipment (see table below)



	<u>2010</u>	<u>2009</u>
Leasehold improvements	\$ 152,230	\$ 114,119
Office furniture, fixtures and equipment	314,728	313,403
Vehicles	109,934	109,934
Buildings	<u>115,000</u>	<u>-</u>
Sub Total	691,892	537,456
Less accumulated depreciation	<u>(467,974)</u>	<u>(447,365)</u>
Totals	<u>\$ 223,918</u>	<u>\$ 90,091</u>

Additional information on the Council's capital assets can be found in the Note A and E, Exhibit F of this report.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Council receives most of its funding from federal, state and local agencies. Because of this, the source of income for the Council is consistent. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council, and therefore, those revenues are not fixed. There have been no significant changes to the funding levels or terms of the grants and contracts. The Governor's Office of Elderly Affairs (GOEA) has approved the Council's budget for fiscal year 2010-2011. There are no plans to add any significant programs for next fiscal year.

The East Baton Rouge Area Agency receives one-half the funding the other AAA's in the state while being required to serve more seniors than any other agency in the state. EBR Parish has the largest concentration of seniors in Louisiana and has experienced rising costs and extensive waiting lists for programs. The senior population is increasing exponentially. It is time for the State of Louisiana to recognize and address this shortfall.

The Executive Director and Board of Directors considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- The East Baton Rouge Council on Aging, Inc. will receive \$ 25,000 in additional revenue from the sales of ads and \$ 150,000 additional revenue in fund raising and sponsorship.
- Each year the East Baton Rouge Council on Aging, Inc. experiences increases in fuel costs and other inflationary items without additional funding to offset these increases.
- Actual expenditures from previous fiscal year in relation to expected needs in the current year.

- Consideration of funding to be received from GOEA and City of Baton Rouge.
- Salaries and benefits are based on the number of employees needed to perform necessary services and the related benefits.
- Travel rates in accordance with state travel regulations.
- Services the Council will provide along with estimated service costs.
- Estimate of operating supplies needed to perform necessary services.
- Detail plan of equipment needed to be purchased.

**Condensed Statements of Net Assets**

	June 30,		Dollar
	<u>2010</u>	<u>2009</u>	<u>Change</u>
Cash	\$ 33,439	\$ 149,130	\$ (115,691)
Other current assets	122,799	82,508	40,291
Capital assets, net	223,918	90,091	133,827
<b>Total assets</b>	<u>\$ 380,156</u>	<u>\$ 321,729</u>	<u>\$ 58,427</u>
Bank Line of Credit	75,000	-	75,000
Accounts payable	110,587	72,656	37,931
Other liabilities	166,887	158,209	8,678
<b>Total liabilities</b>	<u>352,474</u>	<u>230,865</u>	<u>121,609</u>
<b>Net Assets:</b>			
Invested in capital assets, net	223,918	90,091	133,827
Restricted	15,777	103,493	(87,716)
Unrestricted	(212,013)	(102,720)	(109,293)
<b>Total net assets (deficit)</b>	<u>\$ 27,682</u>	<u>\$ 90,864</u>	<u>\$ (63,182)</u>

**Governmental Activities**

Governmental activities decreased the Council net assets by \$ 63,182. Key elements of this decrease are as follows:

### Condensed Changes in Net Assets

	June 30,		Dollar Change	Total Percent Change
	2010	2009		
<b>Revenues:</b>				
<b>Program revenues:</b>				
Operating grants and contributions	1,928,063	1,755,346	172,717	9.8%
Charges for Services	194,542	212,473	(17,931)	(8.4%)
Capital Grants and contributions	115,000	-	115,000	100%
<b>General revenues:</b>				
Grants and contributions not restricted	972,057	1,196,584	(224,527)	(18.76%)
Miscellaneous	450	91	359	-
<b>Total revenues</b>	<b>3,210,112</b>	<b>3,164,494</b>	<b>45,618</b>	<b>1.4%</b>
<b>Expenses:</b>				
Health and welfare	(3,273,294)	(3,224,756)	(48,538)	1.5%
<b>Total expenses</b>				
Increase (decrease) in net assets	(63,182)	(60,262)	(2,920)	
Net assets beginning of year	90,864	151,126	(60,262)	
Net assets end of year	<u>\$ 27,682</u>	<u>\$ 90,864</u>	<u>\$ (63,182)</u>	

### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### **Governmental Funds**

The focus of the Council's governmental funds is to provide information on current year inflows, outflows, and balances of spendable cash and other resources. Such information is useful in assessing the Council's cash flow requirements. In particular, unrestricted fund balance at year end may serve as a useful measure of a government's net resources available for spending next fiscal year. As of the end of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$ (157,129), a decrease of \$ (185,525) in comparison with the prior year.

The General Fund is the main operating fund of the Council. At the end of the current fiscal year, unreserved fund balance of the general fund was \$ (172,906) deficit while total fund balance reached \$ (157,129) (Exhibit C). The fund balance of the Council's General Fund decreased by \$ (97,809) during the current fiscal year. (Exhibit D)

Other major funds, including Title III B – Supportive Services Fund and Title III C-2 – Home Delivered Meals Fund and Title III C-1 Congregate Meals had a no change in fund balances. These funds are reimbursed by federal and state grants. Expenditures that are not covered by the grants are covered by transfers from the General Fund.

## **REQUESTS FOR INFORMATION**

**This financial report is designed to provide a general overview of the Council's finances for all interested in the Council's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:**

**Board of Directors  
Johnny Dykes  
East Baton Rouge Council on Aging, Inc.  
5790 Florida Blvd.  
Baton Rouge, Louisiana.70806-4244  
Phone (225) 923-8000**

### **Independent Auditor's Report**

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Baton Rouge Council on Aging, Inc. as of and for the year ended June 30, 2010, which collectively comprise the Council's financial statements as listed in the table of contents. These financial statements are the responsibility of the East Baton Rouge Council on Aging's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the East Baton Rouge Council on Aging, Inc., as of June 30, 2010, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying required supplementary information, such as "Management's Discussion and Analysis" and "Budgetary Comparison Information" are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2010, on our consideration of East Baton Rouge 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the East Baton Rouge Council on Aging's financial statements. The accompanying supplemental schedule of expenditures of federal awards on page 53 is presented for purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Also, the accompanying supplementary information on pages 37 to 45, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary information in the "introductory section", have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Michael R Choate & Co.*  
Michael R. Choate & Company CPAs

December 13, 2010

**GOVERNMENT WIDE FINANCIAL STATEMENTS**

**GOVERNMENT WIDE STATEMENT OF NET ASSETS**

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

**June 30, 2010**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash ( Restricted: \$67,207 )	\$ 33,439
Other Receivables	81,296
Prepaid Expense	41,503
Inventory	-
Capital assets, net of accumulated depreciation	<u>223,918</u>
<b>Total Assets</b>	<b><u>\$ 380,156</u></b>
<b>Liabilities</b>	
Accounts payable	\$ 63,610
Bank line of credit	75,000
Other payable - freezer	27,609
Other payable - grants	19,368
Accrued payroll and taxes	69,469
Accrued compensated absences	39,107
Custodial account	<u>58,311</u>
<b>Total Liabilities</b>	<b><u>352,474</u></b>
<b>Net Assets</b>	
Invested in Capital Assets	223,918
Restricted for:	
Utility Assistance	15,777
Unrestricted (deficit)	<u>(212,013)</u>
<b>Total Net Assets</b>	<b><u>\$ 27,682</u></b>

The accompanying notes are an integral part of this statement.



**GOVERNMENT WIDE STATEMENT OF ACTIVITIES  
EAST BATON ROUGE COUNCIL ON AGING  
BATON ROUGE, LOUISIANA**

For the year ended June 30, 2010

Functions / Programs	Program Revenues				Net (Expense) Revenue and Increases (Decreases) in Net Assets	
	Direct Expenses	Indirect Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
<b>Governmental Activities:</b>						
Health, Welfare & Social Services						
Supportive Services:	\$ 523,281	\$ 263,276	\$ -	\$ 286,200	\$ -	\$ (500,357)
Personal Care	-	-	-	-	-	-
Other Services	-	-	-	-	-	-
Homemaker	-	-	-	-	-	-
Information and Assistance	-	-	-	-	-	-
Legal Assistance	-	-	-	-	-	-
Outreach	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
<b>Nutrition Services:</b>						
Congregate Meals	460,276	119,603	-	453,278	-	(126,603)
Home Delivered Meals	396,615	107,829	-	449,320	-	(56,124)
Utility Assistance	163,299	5,551	-	77,052	-	(91,796)
Disease Prevention and Health Promotor	43,876	24,809	-	13,904	-	(54,781)
National Family Caregiver Support	113,034	58,302	-	104,247	-	(67,089)
Multipurpose Senior Centers	179,601	-	-	281,337	115,000	216,736
Senior Activities	400,527	86,816	167,103	255,527	-	(64,713)
Public Relations	152,203	38,813	27,439	575	-	(163,002)
Administration	840,582	(704,959)	-	6,625	-	(128,958)
<b>Total governmental activities</b>	<b>\$ 3,273,294</b>	<b>\$ -</b>	<b>\$ 194,542</b>	<b>\$ 1,928,053</b>	<b>\$ 115,000</b>	<b>(1,035,689)</b>

General Revenues:  
City of Baton Rouge Grant  
Grants and contributions not restricted to specific programs  
Special item - Interest Income

Increase (Decrease) in net assets  
Net assets - beginning of the year  
Net assets - end of the year

872,000  
100,057  
450  
(63,182)  
90,894  
\$ 27,682

The accompanying notes are an integral part of this statement.

**FUND FINANCIAL STATEMENTS**

**EXHIBIT C**

Balance Sheet  
Governmental Funds  
East Baton Rouge Council on Aging, Inc.  
June 30, 2010

General Fund	Title III C-1					N.S.I.P.	Senior Center	Total Non Major Funds	Total
	AAA	Title III B	Title III C-1	Title III C-2	Title III - D				
<b>Assets</b>									
Cash	\$ (33,768)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,207	\$ 33,439
Other receivables	81,296	-	-	-	-	-	-	-	81,296
Prepaid expenses	41,503	-	-	-	-	-	-	-	41,503
Inventory	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 89,031</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 67,207</b>	<b>\$ 156,238</b>
<b>Liabilities and Fund Balance</b>									
<b>Liabilities</b>									
Accounts Payable	\$ 63,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,610
Other payable - freezer	27,609	-	-	-	-	-	-	-	27,609
Other payable - grants	19,368	-	-	-	-	-	-	-	19,368
Bank line of credit	75,000	-	-	-	-	-	-	-	75,000
Accrued payroll and taxes	69,469	-	-	-	-	-	-	-	69,469
Custodial account	-	-	-	-	-	-	-	58,311	58,311
Unearned revenue	-	-	-	-	-	-	-	-	-
Due to/from other funds	6,881	-	-	-	-	-	-	(6,881)	-
<b>Total Liabilities</b>	<b>261,937</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,430</b>	<b>313,367</b>
<b>Fund Balances</b>									
Unreserved/Undesignated:									
General Fund (deficit)	(172,906)	-	-	-	-	-	-	-	(172,906)
Special Revenue Fund	-	-	-	-	-	-	-	15,777	15,777
<b>Total Fund Balances</b>	<b>(172,906)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,777</b>	<b>(157,129)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 89,031</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 67,207</b>	<b>\$ -</b>

Amounts reported for governmental activities in the statement of net assets are different because:  
 Compensation absences are not paid for out of current financial resources and therefore are not reported funds  
 Capital assets used in governmental activities are not resources therefore are not reported in the funds  
 Net assets of Governmental Activities

(39,107)  
223,918  
\$ 27,682

The accompanying notes are an integral part of this statement.

EXHIBIT D

EAST BATON ROUGE COUNCIL ON AGING, INC.  
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2010

	General Fund	Title II C-1 AAA	Title III - B	Title III C-1	Title III C-2	Title III - D	Title III - E	N.S.I.P.	Senior Center	Total Non Major Funds	Total
<b>Revenue</b>											
Intergovernmental:											
City of Baton Rouge	\$ 872,000	\$ 87,921	\$ 286,200	\$ 242,618	\$ 380,197	\$ 13,904	\$ 104,247	\$ 182,167	\$ 281,337	\$ 65,892	\$ 872,000
Office of Elderly Affairs	125,000	-	-	-	-	-	-	-	-	-	1,719,323
Corporation for National and Community Service	57	-	-	-	-	-	-	-	-	23,478	23,478
Unrestricted Public Support	38,188	-	-	12,642	-	-	-	-	-	-	57
Restricted Public Support	-	-	-	-	-	-	-	-	-	-	51,840
Program Service Fees	576	-	-	46,653	388	-	-	-	-	-	47,828
Participant Contributions	199,428	-	-	-	-	-	-	-	-	-	199,428
Program Income	10,877	-	-	-	-	-	-	-	-	-	10,877
Senior Olympics	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous:											
Platinum Record Ad Sales	27,439	-	-	-	-	-	-	-	-	-	27,439
Senior Olympics Sponsorship	12,750	-	-	-	-	-	-	-	-	-	12,750
Bingo	24,064	-	-	-	-	-	-	-	-	-	24,064
FEMA	19,161	-	-	-	-	-	-	-	-	-	19,161
Other	52,571	-	-	-	-	-	-	-	-	-	52,571
Interest Income	450	-	-	-	-	-	-	-	-	-	450
General Public via Energy In-Kind Contributions-Homewood	116,000	-	-	-	-	-	-	-	-	77,082	77,082
In-Kind Contributions	31,837	-	-	140,839	28,730	2,992	8,300	-	76,000	-	327,000
	1,487,205	87,921	325,403	430,209	401,987	18,896	112,647	182,167	353,337	189,480	3,537,112
<b>Expenditures</b>											
Current:											
Salaries and Wages	237,230	63,763	618,386	235,462	212,300	48,847	114,769	-	142,774	30,735	1,584,288
Fringe	40,797	9,661	180,784	42,367	37,945	10,183	36,478	-	30,079	4,768	362,990
Travel	28,632	669	35,655	1,340	28,263	278	5,780	-	700	700	101,877
Operating Services	120,273	15,882	44,281	39,454	34,171	3,993	9,383	-	9,487	3,752	277,778
Operating Supplies	68,533	2,891	10,176	10,328	7,686	4,181	2,084	-	281	870	94,930
Other Costs	114,653	4,615	27,305	5,781	7,368	1,193	2,804	-	-	32,556	188,462
Meals	25,860	-	-	157,238	178,484	-	-	-	-	-	369,660
Utility Assistance	-	-	-	-	-	-	-	-	-	163,299	163,299
Sub Grantee	25,000	-	-	-	-	-	-	-	-	59,307	84,307
Capital Outlay	38,438	-	-	-	-	-	-	-	-	-	38,438
Debt Service:											
Principle Retirement	-	-	-	-	-	-	-	-	-	-	-
Interest	8,634	-	-	-	-	-	-	-	-	-	8,634
Capital Outlay-In Kind - Homewood	115,000	-	-	-	-	-	-	-	-	-	115,000
In-Kind Services and Facilities	31,837	-	39,203	140,839	28,730	2,992	8,300	-	75,000	-	327,000
	640,585	87,921	825,760	632,896	533,174	71,677	178,639	-	284,801	289,887	3,722,837
Excess (deficiency) of Revenue over Expenditures	646,220	-	(500,357)	(202,687)	(181,207)	(54,781)	(67,089)	182,167	101,796	(129,827)	(185,626)
<b>Other Financing Sources (Uses)</b>											
Operating Transfers In	402,433	-	500,357	202,687	131,207	54,781	67,089	-	-	41,811	1,400,365
Operating Transfers Out	(1,145,452)	-	(600,357)	(202,687)	(131,207)	(54,781)	(67,089)	(182,167)	(101,796)	-	(1,400,365)
	(743,019)	-	(100,000)	(202,687)	(131,207)	(54,781)	(67,089)	(182,167)	(101,796)	41,811	-
Excess (deficiency) of Revenue and Other Sources Over Expenditures and Other Uses	(97,806)	-	-	-	-	-	-	-	-	(67,716)	(185,626)
<b>Fund Balances</b>											
Beginning of Year	(75,087)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	103,483	28,396
End of Year	(172,893)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,777	\$ (157,120)

The accompanying notes are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental  
Funds to the Statement of Activities  
East Baton Rouge Council on Aging, Inc.  
Baton Rouge, Louisiana

Year Ended June 30, 2010

Net (Decrease) in fund balances – total governmental funds \$ (185,525)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$ 154,436 ) exceeded depreciation (\$ 20,609 ) in the current period.

133,827

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Compensated absences (11,484)

Decrease in net assets of governmental activities \$ (63,182)

**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2010

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of Activities and Reporting Entity*

In 1964, the State of Louisiana passed Act 456, which authorized the charter of voluntary councils on aging for the welfare of the aging people in their respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The East Baton Rouge Council on Aging, Inc. is a non-profit, quasi-public corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the Council with most of its revenues. Other entities that provide the Council with federal, state, or local funds may impose some additional requirements.

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

Before January 1, 1992, the Council operated as part of City of Baton Rouge. Effective January 1, 1992, the Council began operating as a stand-alone entity, responsible for managing all of its affairs. The Council is not classified as a component unit of another primary government nor does it have any component units. It is determined to be a separate special-purpose governmental entity and presents its financial statements in a form appropriate to that classification.

*Presentation*

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2010

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governmental entities as prescribed by the GASB, and the applicable requirements set forth in Audits of State and Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection VIII – Annual Financial Reporting, accounting manual for Governor’s Office of Elderly Affairs contractors; and , the Louisiana Governmental Audit Guide.

*Management’s Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

*Income Tax Status*

The Council, a quasi-governmental entity, is exempt from federal income taxes under section 501(C) (3) of the Internal Revenue Code.

*Fund Accounting*

The Council uses funds to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain functions or activities.

The accounts of the Council are organized on the basis of funds which are considered separate accounting entities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three generic fund types.

**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2010

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Governmental Fund Types*

Governmental funds are those through which the functions of the Council are financed. The general activities of the Council, including the collection and disbursement of specific or legally restricted monies, the acquisition of general fixed assets, and the servicing of general long-term obligations are accounted for within the various governmental fund types as follows:

**General Fund** – The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. These discretionary funds are accounted for and reported according to the source (federal, state, or local) from which they are derived. In addition, the servicing of general long-term debt is accounted for in the General Fund because unrestricted resources are used to pay for the liabilities incurred by this fund.

The General Fund is considered a Major Fund of the Council.

The following programs comprise the Council's General Fund:

Local

Revenues such as donations from the general public, funding from the local City-Parish government, income from various fund raising activities, and interest earned on invested idle funds have been recorded in the local program of the general fund. Expenses related to these activities as well as expenses not chargeable to specific programs are recorded in the local program. Local program funds are also transferred to other funds and programs to supplement their funding when needed. Most of the Council's fixed assets are acquired with local program funds.

PCOA

PCOA funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council may use these "Act 735" funds at its discretion provided the program benefits people who are at least 60 years old. During fiscal year 2005, all PCOA funds were used to supplement Title III programs.



**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2010

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Health Screening

The Council provides health-screening services and flu shots to enable senior citizens to detect health problems and prevent disease.

Fan and Blanket Fund

The Council occasionally collects donations for fans and blankets and distributes these items to senior citizens.

Senior Activities

The Senior Activities fund is used to account for revenues and costs associated with senior activities. These activities include, but are not limited to craft classes held at senior centers, a consignment store that enables senior citizens to market their crafts, and sponsorship of the annual Senior Olympics.

Paid Meals

Paid Meals is a program whereby guest meals are sold at C-1 congregate meal sites, and C-2 frozen meals are delivered to the homes of persons who pay the full cost of the meal. Any revenues in excess of expenditures to operate this program are transferred, as needed, to the Title III C-1 and C-2 programs to subsidize the costs of providing such meals.

Public Relations

The Council uses its public relations program to inform and educate the community about its services and programs. The Council's newspaper, "The Platinum Record", is published on a bi-monthly basis to homes and other locations in East Baton Rouge Parish to inform readers about the Council's activities and provide information to help elderly people.

**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2010

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Senior Net Learning Center**

The Council operates a Senior Net Learning Center where computer classes are held for the purposes of training and enhancing the computer skills of people 50 years of age and older.

**Major Special Revenue Funds**

**Special Revenue Funds** – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Most of the Council's special revenue funds are provided by GOEA. The Title III funds are provided by the United States Department of Health and Human Services – Administration on Aging through the Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council.

A fund is considered "major" if it is the primary operating fund of the Council or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category type.

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

**Title III C Area Agency Administration – (AAA) Fund**

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

**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2010

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Title III-B Supportive Services Fund

The Title III-B Supportive Services Fund is used to account for funds which are to provide a variety of social services; such as, information and assistance, access services, in-home services, community services, legal assistance, and outreach for people over the age 60 and older.

GOEA has established the criteria for defining a qualifying unit of service for each Title III program. Specific supportive social services, along with the number of units provided during the fiscal year, are as follows:

	<u>Units</u>
• Information and Assistance	10890
• Homemaker	7693
• Outreach	15745
• Wellness	33644
• Medication Management	10315

Title III C-1 Fund

The Title III C-1 Fund is used to account for funds that are used to provide nutritional, congregate meals to the elderly in strategically located meal sites in East Baton Rouge Parish. During the year, the Council served approximately 67,776 congregate meals to people eligible to participate in this program.

Title III C-2 Fund

Title III C-2 Fund is used to account for funds that are used to provide nutritional, home-delivered meals to home bound older persons. During the year, the Council served approximately 99,449 home delivered meals to people eligible to participate in this program.

Title III D Fund

The Title III D Fund is used to account for funds that provide disease prevention and health promotion services. During the year, the Council provided wellness activities designed to support and/or improve the older persons mental and/or physical well being including exercise/physical fitness classes and health screening sessions. The Council also provided medication management services, which included screening and educating older persons to prevent incorrect medications usage and adverse drug reactions.

**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2010

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Title III E Fund**

The Title III E Fund is used to account for funds, which provide various caregiver support services. This includes public education, information and assistance, support groups, in-home respite care, and personal care services.

**Nutritional Supplement Incentive Program (N.S.I.P.)**

The N.S.I.P. Fund is used to account for the administration of Nutrition Program for the Elderly funds provided by the United States Department of Agriculture through the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

**Senior Center Fund**

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

**Non Major Special Revenue Funds**

**Audit Fund**

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

**Supplemental Senior Center Fund**

The Supplemental Senior Center Fund is used to account for the additional money appropriated by the Louisiana Legislature to supplement the primary state grant for senior centers. These funds are "passed through" the Governor's Office of Elderly Affairs.

The supplemental senior center grant received by the Council from the Legislature specified that \$ 59,307 be passed through to Serenity 67, subject to the oversight of the Council. Serenity 67 is a nonprofit 501(c)(3) community service organization designed to assist the citizens of Louisiana House of Representatives District 67 and the surrounding areas to experience a more positive community life.

**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2010

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Retired Senior Volunteers Program (RSVP) Fund

The Retired Senior Volunteer Program Fund is used to account for federal funds provided directly by The Corporation for National and Community Service (CNCS) and state funds that are provided directly by the Governor's Office of Elderly Affairs. These funds are used to pay travel and other out-of-pocket expenses incurred by senior citizens, age 55 and over, who have volunteered their time to assist non-profit and governmental entities in East Baton Rouge Parish, Louisiana. This program was discontinued at December 31, 2009.

Utility Assistance Fund

The Utility Assistance Fund is used to account for Project Care, which is sponsored by Entergy, a local utility company. Entergy collects contributions from service customers and employees and remits the funds directly to the Council. These funds are used to provide financial assistance to the elderly for the payment of their utility bills.

Fiduciary Fund – Fiduciary Funds are used to account for assets held by the Council in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Fiduciary funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency fund is used to account for assets held by the Council as an agent for individuals and other organizations.

*Capital Assets*

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased or acquired with an original cost of at least \$1,000 and that have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Assets. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation.

**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2010

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

For capital assets recorded in the Government-Wide Financial Statements, depreciation is computed and recorded using the straight-line method for the assets estimated useful life. The estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings	30 years
Building Improvements	20 years
Equipment	5 - 7 years
Vehicles	5 years
Computers	3 years

Salvage values have not been estimated by management when calculating how much of an asset's cost needs to be depreciated except for vehicles. For that category or capital assets, management has used 10% of the vehicles initial cost as a salvage value estimate.

Depreciation is not computed or recorded on capital assets for purposes of the Fund Financial Statements.

*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, generally only current assets and current liabilities are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets.

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

- (1) Principle and interest on long-term debt are recorded when due, and
- (2) Claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2010

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Revenue Recognition*

Revenues are recorded in the Government-Wide Statements when they are earned under the accrual basis of accounting. Revenues are recorded in the Fund Financial Statements using the modified accrual basis of accounting. In applying the susceptible to accrual concept using this basis of accounting, intergovernmental grant revenues, program service fees, and interest income usually are both measurable and available. However, the timing and amounts of the receipts of public support and miscellaneous revenues are often difficult to measure; therefore, they are recorded as revenue in the period received.

*Transfers and Interfund Loans*

Advances between funds, which are not expected to be repaid, are accounted for as transfers. In those cases where repayment is expected, the advances are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

*Budget Policy*

The Council used the following procedures to derive the budgetary data which has been presented 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. GOEA awards funds using the same fiscal year as the Council, except for the RSVP program award, which is on a calendar year basis.

The City of Baton Rouge notifies the Council each year as to the amount included in the City-Parish budget for the Council. Because the City of Baton Rouge operates on a calendar year, its fiscal year will overlap the Council's fiscal year. Accordingly, the Council's management can predict with reasonable accuracy how much money the Council will have available for the first six months of its fiscal year. Management estimates the City's allocation for the last six months of the Council's fiscal year until the City notifies the Council of the exact allocation. Management will then incorporate the actual allocation amount into the Council's amended budget. Funds received from the City of Baton Rouge are unrestricted as to use by the Council on Aging.

**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2010

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Council may also obtain grants from agencies other than GOEA and the City of Baton Rouge, and the Council considers the potential revenues to be earned under those grants.

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

The Council's management prepares a proposed budget based on the expected funding levels and then submits the budget to the Board of Directors for approval.

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

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

All budgetary appropriations for grants awarded the Council by GOEA lapse at the end of each fiscal year (June 30), except for N.S.I.P. Cash in lieu of Commodities funding and the grant for the RSVP program. Both the grant award from GOEA and the grant award from The Corporation for National and Community Service for the RSVP program lapse at December 31. Occasionally, the Council will receive a special project grant that may operate on a period different from the Council's normal fiscal year and, therefore, have a specified date where the budgetary appropriation will lapse.

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

Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments, which must also be adopted by the Board of Directors and approved by GOEA.

Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.



**EAST BATON ROUGE COUNCIL ON AGING, INC.  
NOTES TO FINANCIAL STATEMENTS**

June 30, 2010

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The Council may transfer funds between line items as often as required but must obtain prior approval from the Governor's Office of Elderly Affairs for funds received under grants from this state agency. As part of its grants awards, GOEA requires the Council to amend its budget in cases where actual costs for a particular cost category exceed the budgeted amount by more than 10%. Otherwise, the excess costs could be labeled as unauthorized expenditures.

Expenditures cannot legally exceed appropriations on an individual fund level.

The primary budget requirement under the RSVP program's grant from The Corporation for National and Community Services is that the ratio of volunteer expenses to total program expenses must equal or exceed the ratio in the approved budget.

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

*Compensated Absences*

Full time employees earn vacation leave, beginning with the first full month of employment, at the rate of one day pay per month. The earning rate for vacation leave increases with each year of employment up to 1.75 days per month for employees with ten or more years of service.

Beginning June 15, 1992, no more than 5 days of vacation leave may be carried over after September 30<sup>th</sup> of each year. Prior to June 15, 1992, any amount of earned and unused vacation leave could be carried over with no limitation on its use. Payment of any vested vacation leave is made by the Council upon termination of an employee for any reason.

GASB Statement No. 16 requires the accrual for vacation leave to the extent it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. The Council recorded a liability as of June 30, 2010 for the accrued vacation for each employee at the employee's current rate of pay. Standards require that applicable provisions for retirement, social security, and Medicare taxes be included in the accrued compensations. Accrued vacation benefits will be paid from future year's resources and will be recorded as fund expenditures in the various governmental funds in the year in which they are paid or become due on demand to terminated employees.

**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2010

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

GASB Statement No. 16 requires the accrual for sick leave if it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employee's termination or retirement. Since the accumulated sick leave lapses upon termination, no amount has been accrued.

The management of the Council has estimated that the portion of its liability for accrued compensated absences to be paid from expendable available financial resources is not material. Consequently, the total amount of accrued compensation is reported as a long term debt.

*Restricted Assets*

Restricted assets are those that have primarily been acquired through donations or grants whereby the donor or grantor has placed a restriction on how the funds can be used by the Council. Restricted assets are offset by a corresponding reservation of the Council's fund balance.

*Reservation and Designations of Fund Balances*

The Council "reserves" portions of its fund balances that are not available for expenditure because resources have already been expended but the related asset not consumed, or a legal restriction has been placed on certain assets which make them only available to meet future obligations. Designated allocations of fund balances result when the Council's management intends to expend certain resources in a designated manner.

*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.

*Inventory*

Inventories consists principally of food and kitchen supplies that have not been consumed as of year-end and of resource materials for Senior Net classes. Such inventories are valued at the lower cost or market under the first-in, first-out method. Amounts reported as inventories are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of net current assets. Inventories were discontinued at December 31, 2009 as the food service department was outsourced to a private entity.

**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2010

**B: CASH**

The Council maintains a consolidated bank account that is available for use by all funds. The Council's deposits at June 30, 2010 are categorized below to give an indication of the level of risk assumed by the Council at year-end. Category 1 includes deposits that are insured or collateralized with securities held by the Council or by its agent in the Council's name. (In October of 2008, FDIC Insurance increased from \$100,000 to \$250,000). Category 2 includes deposits that are uncollateralized and any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the entity's name.

	Bank Balance	Category			Carrying Value
	1	2	3		
Total Deposits	\$ 33,439	\$ 33,439	\$ -	\$ -	\$ 33,439

All amounts shown in Category 3 are uncollateralized. However, state law does require collateralization and when such collateral is in the form of securities pledged by the financial institution but not held in the Council's name there is a statutory requirement that the custodial bank sell the pledged security within ten days of notification that the depository bank has failed to pay deposited funds on demand.

**C: RECEIVABLES ON FUNDING CONTRACTS**

Contracts receivable at June 30, 2010, due from the Governor's Office of Elderly Affairs was \$40,077 for the N.S.I.P. Program.

**D: CHANGES IN LONG-TERM DEBT**

The following is a summary of transactions relating to the Council's long-term debt during the year.

	Balance 6/30/2009	Additions	Reductions	Balance 6/30/2010
Accrued compensated absences	\$ 27,623	\$ 11,484	\$ -	\$ 39,107
	\$ 27,623	\$ 11,484	\$ -	\$ 39,107

**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2010

**E: FIXED ASSETS**

A summary of changes to fixed assets for the year ended June 30, 2009, is as follows:

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Vehicles	\$ 109,934	\$ -	\$ -	\$ 109,934
Office furniture and equipment	143,011	1,325	-	144,336
Computer software	45,983	-	-	45,983
Nutrition equipment	62,045	-	-	62,045
Leasehold improvements	114,119	38,111	-	152,230
Capital lease equipment	62,364	-	-	62,364
Buildings	-	115,000	-	115,000
	<u>\$ 537,456</u>	<u>\$154,436</u>	<u>\$ -</u>	<u>\$ 691,892</u>

**F: LEASE COMMITMENTS**

*Operating Leases*

On January 1, 2010, the Council entered into a lease with the City of Baton Rouge for the building that houses the Council's main office at 5790 Florida Boulevard, Baton Rouge, Louisiana. The terms of this lease require annual payments of \$1 for twenty five years. The Council is responsible for utilities, normal repairs, and maintenance, and liability, fire and casualty insurance in the amount of \$5 million.

**G: IN-KIND DONATIONS**

The Council received \$ 327,000 in various in-kind contributions during the year which have been valued at their estimated fair market value and presented in this report as revenue. Related expenditures, equal to the in-kind revenues, have also been presented, thereby producing no effect on net revenue.

**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2010

**G: IN-KIND DONATIONS (Continued)**

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

The Council's main office facility was furnished by the City of Baton Rouge for \$1.00 per year. Maintenance workers are also included	\$ 215,468
Other/meal site facilities and health screening sites are furnished to the Council without charge	108,141
Miscellaneous Supplies	<u>3,391</u>
Total	<u>\$ 327,000</u>

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

**H: DEFERRED COMPENSATION**

The Council offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all Council employees and permits them to defer a portion of their salary until future years. Participation in the plan is at the employee's option.

The deferred compensation cannot be withdrawn by participating employees until termination, retirement, death or unforeseeable emergency. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. In accordance with GASB statement No. 32, the Council does not present the investment in deferred compensation and the offsetting deposits and escrow accounts as assets and liabilities on its combined balance sheet. At June 30, 2010, the plan assets totaled \$146,575.

**I: BOARD OF DIRECTOR'S COMPENSATION**

Service on the Board of Directors is voluntary and, therefore, members are not compensated in the form of per diem. Members of the Board are reimbursed for travel expenses.

**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2010

**J: INTERFUND TRANSFERS**

Transfers in and out are listed by fund type for the year ended June 30, 2010:

<u>Transfers In</u>	<u>Transfers Out</u>					<u>Total Transfers In</u>
	<u>PCOA</u>	<u>NSIP</u>	<u>Senior Center</u>	<u>General Fund</u>	<u>Humana Meals</u>	
<u>Special Revenue Fund:</u>						
Title III B	\$ 100,000	\$ -	\$101,736	\$ 298,621	\$ -	\$ 500,357
Title III D	-	-	-	54,781	-	54,781
Title III E	-	-	-	67,089	-	67,089
Title III C-1	-	76,083	-	66,396	60,208	202,687
Title III C-2	-	76,084	-	55,123	-	131,207
RSVP	-	-	-	27,579	-	27,579
Utility	-	-	-	-	-	-
Assistance	-	-	-	4,082	-	4,082
Audit	-	-	-	10,150	-	10,150
<u>General Fund:</u>						
Health Screening	-	-	-	97,230	-	97,230
Senior Activities	-	-	-	45,878	-	45,878
Local	-	-	-	83,518	-	83,518
Public Relations	-	-	-	162,612	-	162,612
Senior Net	-	-	-	13,195	-	13,195
<b>Total Transfers Out</b>	<b>\$ 100,000</b>	<b>\$152,167</b>	<b>\$101,736</b>	<b>\$ 986,254</b>	<b>\$ 60,208</b>	<b>\$ 1,400,365</b>

**K: EMPLOYEE BENEFITS**

The Council maintains a cafeteria plan allowable under IRC Section 125 for its eligible full-time employees. Employees may elect to reduce compensation to pay for personal health, dental and/or disability insurance.

**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2010

**L: ECONOMIC DEPENDENCY**

The Council receives the majority of its revenue from grants administered by the Louisiana Governor's Office of Elderly Affairs and quarterly allocations from the City of Baton Rouge, Louisiana. The grant amounts are appropriated each year by the federal, state, and local governments. If significant budget cuts are made at the federal, state and/or local level, the Council's funding could be reduced significantly and have an adverse impact on its operations. However, management is not aware of any actions by Council funding sources that will adversely affect operations in the next fiscal year.

**M: FEDERALLY ASSISTED PROGRAMS – COMPLIANCE CONTINGENCIES**

Federal and State assistance programs represent an important source of funding for the Council. Major programs are audited annually in accordance with the "Single Audit Act". Prior audits have not resulted in any significant disallowed costs; however, grantor agencies may conduct or require further examinations. Based upon prior experience, Council management believes that further examination would not result in any significant disallowed costs.

During the year ended June 30, 2006, a Non Major Program, Retired Senior Volunteers Program (RSVP) was audited for the year 2005 and resulted in questioned costs of \$ 30,527.87. In December 2007, the Council appealed the audit findings based on prior audit precedents and possible calculation errors. No final determination has been received as of the date of this audit report but the Council has discontinued the Program effective January 1, 2010.

**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2010

**N. UNCERTAINTIES: Going Concern Issues**

For the year ended June 30, 2010, the Council reported a General Fund loss of \$ (97,809) and General Fund balance deficit of \$ (172,906). In addition, the Council reported unrestricted cash of \$ (33,768) at year end. Bank line of credit is at maximum of \$75,000. These results raised substantial doubts about the Council's ability to continue as a going concern.

Management has taken the following actions to mitigate and/or alleviate the going concern uncertainties and substantial doubt:

- Contracted out for food preparation and delivery. The new food service contract took effect January 1, 2010 and resulted in savings in personnel and travel of about \$113,000.
- Continue to reduce payroll and benefits thru attrition and layoffs.
- Discontinued the RSVP Program effective January 1, 2010 which saved about \$11,500.
- Increase revenue through public relations and fund raising. Additional revenue of \$ 175,000 is budgeted for fiscal year 2011.
- Decrease expenses in Public relations and health screenings.
- As of the audit report date, the Council's budget projections and year to date financial results have improved. At October 31, 2010, unaudited "revenue in excess of expenses" is \$1,818.



**SUPPLEMENTARY FINANCIAL INFORMATION**

**Required by GASB 34**

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND**

**EAST BATON ROUGE COUNCIL ON AGING, INC.  
BATON ROUGE, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2010**

<b>REVENUES</b>	<b>BUDGETS</b>		<b>ACTUAL</b>	<b>FAVORABLE (UNFAVORABLE) VARIANCE</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>Intergovernmental:</b>				
City of Baton Rouge	\$ 912,550	\$ 872,000	\$ 872,000	\$ -
Office of Elderly Affairs	100,000	125,000	125,000	-
Unrestricted Public Support	500	-	57	57
Restricted Public Support	62,000	37,600	39,198	1,598
<b>Program Service Fees:</b>				
Participant contributions	70	-	575	575
Program Income	86,935	179,250	156,426	(22,824)
Senior Olympics	11,000	12,700	10,677	(2,023)
<b>Miscellaneous:</b>				
Platinum Record Ad Sales	145,500	30,000	27,439	(2,561)
Senior Olympic Sponsorship	55,250	12,750	12,750	-
Fund raising -Bingo	100,000	-	24,064	24,064
Interest Income	-	-	450	450
FEMA	-	-	19,161	19,161
Other	160,580	47,400	52,571	5,171
In Kind contribution - Homewood	115,000	115,000	115,000	-
In-Kind Contributions	31,837	31,837	31,837	-
	<u>1,781,222</u>	<u>1,463,537</u>	<u>1,487,205</u>	<u>23,668</u>
<b>Expenditures</b>				
<b>Current:</b>				
Salaries and Wages	319,376	243,698	237,230	6,468
Fringe	52,208	36,651	40,797	(4,146)
Travel	31,491	30,976	28,832	2,144
Operating Services	139,865	131,718	120,273	11,445
Operating Supplies	41,375	50,921	56,333	(5,412)
Other Costs	72,578	110,329	114,653	(4,324)
Meals	18,112	16,311	25,960	(9,649)
Capital Outlay	35,000	15,000	39,436	(24,436)
<b>Debt Service:</b>				
Principle Retirement	-	-	-	-
Interest	10,000	-	5,634	(5,634)
Sub-Grantee	-	25,000	25,000	-
Capital Outlay - in kind - Homewood	115,000	115,000	115,000	-
In-Kind Services and Facilities	-	-	31,837	(31,837)
	<u>835,005</u>	<u>775,804</u>	<u>840,985</u>	<u>(65,381)</u>
Excess (deficiency) of Revenue over Expenditures	946,217	687,933	646,220	(41,713)
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	245,245	310,348	402,433	92,085
Operating Transfers Out	(1,159,625)	(1,039,837)	(1,146,462)	(106,625)
Excess (deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 31,837</u>	<u>\$ (41,556)</u>	<u>\$ (97,809)</u>	<u>\$ (56,253)</u>

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL  
SPECIAL REVENUE FUND - TITLE III-B**

**EAST BATON ROUGE COUNCIL ON AGING, INC.  
BATON ROUGE, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2010**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Office of Elderly Affairs	\$ 286,200	\$ 286,224	\$ 286,200	\$ (24)
Restricted Public Support	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Participant Contributions	-	-	-	-
Contributions in Kind	-	-	-	-
<b>Total Revenues</b>	<b>286,200</b>	<b>286,224</b>	<b>286,200</b>	<b>(24)</b>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	-	-	-	-
Salaries and Wages	548,720	520,663	518,356	2,307
Fringe	140,551	136,241	150,784	(14,543)
Travel	41,544	36,169	35,655	514
Operating Services	48,856	49,268	44,281	4,987
Operating Supplies	10,723	11,707	10,176	1,531
Other	34,183	28,540	27,305	1,235
Meals	-	-	-	-
<b>Total Expenditures</b>	<b>824,577</b>	<b>782,588</b>	<b>786,557</b>	<b>(3,969)</b>
Excess of Revenues over (under) Expenditures	(538,377)	(496,364)	(500,357)	(3,993)
<u>OTHER FINANCING SOURCES USES</u>				
Operating transfers in	538,377	496,364	500,357	3,993
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL  
SPECIAL REVENUE FUND - TITLE III C-1**

**EAST BATON ROUGE COUNCIL ON AGING, INC.  
BATON ROUGE, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2010**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Office of Elderly Affairs	\$ 242,618	\$ 242,618	\$ 242,618	\$ -
NSIP - commodity cash	-	-	-	-
Restricted Public Support	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Participant Contributions	48,500	48,500	46,653	(1,847)
Contributions in Kind	-	-	-	-
<u>Total Revenues</u>	<u>291,118</u>	<u>291,118</u>	<u>289,271</u>	<u>(1,847)</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	-	-	-	-
Salaries and Wages	227,395	228,934	235,482	(6,548)
Fringe	38,054	39,564	42,367	(2,803)
Travel	1,979	1,309	1,340	(31)
Operating Services	38,374	46,876	39,454	7,422
Operating Supplies	10,735	10,363	10,328	35
Other	7,941	6,109	5,751	358
Meals	113,274	165,388	157,236	8,152
<u>Total Expenditures</u>	<u>437,752</u>	<u>498,543</u>	<u>491,958</u>	<u>6,585</u>
Excess of Revenues over (under) Expenditures	(146,634)	(207,425)	(202,687)	4,738
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	146,634	207,425	202,687	(4,738)
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL  
SPECIAL REVENUE FUND - TITLE III C-2**

**EAST BATON ROUGE COUNCIL ON AGING, INC.  
BATON ROUGE, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2010**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Office of Elderly Affairs	\$ 360,197	\$ 360,197	\$ 360,197	\$ -
NSIP - commodity cash	-	-	-	-
Restricted Public Support	-	12,000	12,642	642
Other:				
Miscellaneous	-	-	-	-
Participant Contributions	3,750	500	398	(102)
Contributions in Kind	-	-	-	-
<u>Total Revenues</u>	<u>363,947</u>	<u>372,697</u>	<u>373,237</u>	<u>540</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	-	-	-	-
Salaries and Wages	294,343	216,041	212,300	3,741
Fringe	48,875	35,484	37,945	(2,461)
Travel	57,946	29,931	28,293	1,638
Operating Services	43,871	40,710	34,171	6,539
Operating Supplies	9,650	8,263	7,686	577
Other	12,680	8,165	7,585	580
Meals	199,615	186,301	176,464	9,837
<u>Total Expenditures</u>	<u>666,980</u>	<u>524,895</u>	<u>504,444</u>	<u>20,451</u>
Excess of Revenues over (under) Expenditures	(303,033)	(152,198)	(131,207)	20,991
<u>OTHER FINANCING SOURCES USES</u>				
Operating transfers in	303,033	152,198	131,207	(20,991)
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL  
SPECIAL REVENUE FUND - TITLE III C-1 AAA**

**EAST BATON ROUGE COUNCIL ON AGING, INC.  
BATON ROUGE, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2010**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Office of Elderly Affairs	\$ 87,921	\$ 87,921	\$ 87,921	\$ -
Restricted Public Support	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Participant Contributions	-	-	-	-
Contributions in Kind	-	-	-	-
<u>Total Revenues</u>	<u>87,921</u>	<u>87,921</u>	<u>87,921</u>	<u>-</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	-	-	-	-
Salaries and Wages	51,169	53,753	53,753	-
Fringe	10,109	9,591	9,591	-
Travel	1,605	989	989	-
Operating Services	15,786	15,982	15,982	-
Operating Supplies	2,813	2,991	2,991	-
Other	6,439	4,615	4,615	-
Meals	-	-	-	-
<u>Total Expenditures</u>	<u>87,921</u>	<u>87,921</u>	<u>87,921</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL  
SPECIAL REVENUE FUND -TITLE III-D**

**EAST BATON ROUGE COUNCIL ON AGING, INC.  
BATON ROUGE, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2010**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Office of Elderly Affairs	\$ 13,904	\$ 13,904	\$ 13,904	\$ -
Restricted Public Support	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Participant Contributions	-	-	-	-
Contributions in Kind	-	-	-	-
<u>Total Revenues</u>	<u>13,904</u>	<u>13,904</u>	<u>13,904</u>	<u>-</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	-	-	-	-
Salaries and Wages	30,989	52,034	48,847	3,187
Fringe	4,598	9,542	10,183	(641)
Travel	298	298	278	20
Operating Services	2,653	4,809	3,993	816
Operating Supplies	4,998	5,400	4,191	1,209
Other	1,082	1,389	1,193	196
Meals	-	-	-	-
<u>Total Expenditures</u>	<u>44,618</u>	<u>73,472</u>	<u>68,685</u>	<u>4,787</u>
Excess of Revenues over (under) Expenditures	(30,714)	(59,568)	(54,781)	4,787
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	30,714	59,568	54,781	(4,787)
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL  
SPECIAL REVENUE FUND - TITLE III-E**

**EAST BATON ROUGE COUNCIL ON AGING, INC.  
BATON ROUGE, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2010**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Office of Elderly Affairs	\$ 104,247	\$ 104,247	\$ 104,247	\$ -
Restricted Public Support	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Participant Contributions	-	-	-	-
Contributions in Kind	-	-	-	-
<u>Total Revenues</u>	<u>104,247</u>	<u>104,247</u>	<u>104,247</u>	<u>-</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	-	-	-	-
Salaries and Wages	115,728	112,458	114,789	(2,331)
Fringe	31,136	32,876	36,476	(3,600)
Travel	8,047	6,843	5,790	1,053
Operating Services	9,908	10,393	9,383	1,010
Operating Supplies	1,916	2,095	2,094	1
Other	4,042	3,001	2,804	197
Meals	-	-	-	-
<u>Total Expenditures</u>	<u>170,777</u>	<u>167,666</u>	<u>171,336</u>	<u>(3,670)</u>
Excess of Revenues over (under) Expenditures	(66,530)	(63,419)	(67,089)	(3,670)
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	66,530	63,419	67,089	3,670
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL  
SPECIAL REVENUE FUND -N.S.I.P.**

**EAST BATON ROUGE COUNCIL ON AGING, INC.  
BATON ROUGE, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2010**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Office of Elderly Affairs	\$ 97,200	\$ 151,163	\$ 152,167	\$ 1,004
Restricted Public Support	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Participant Contributions	-	-	-	-
Contributions in Kind	-	-	-	-
<u>Total Revenues</u>	<u>97,200</u>	<u>151,163</u>	<u>152,167</u>	<u>1,004</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	-	-	-	-
Salaries and Wages	-	-	-	-
Fringe	-	-	-	-
Travel	-	-	-	-
Operating Services	-	-	-	-
Operating Supplies	-	-	-	-
Other	-	-	-	-
Meals	-	-	-	-
<u>Total Expenditures</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	97,200	151,163	152,167	1,004
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	-	-	-	-
Operating transfers out	(97,200)	(151,163)	(152,167)	(1,004)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL  
SPECIAL REVENUE FUND - SENIOR CENTER  
EAST BATON ROUGE COUNCIL ON AGING, INC.  
BATON ROUGE, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2010**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Office of Elderly Affairs	\$ 281,337	\$ 281,337	\$ 281,337	\$ -
Restricted Public Support	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Participant Contributions	-	-	-	-
Contributions in Kind	-	-	-	-
<u>Total Revenues</u>	<u>281,337</u>	<u>281,337</u>	<u>281,337</u>	<u>-</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	-	-	-	-
Salaries and Wages	106,758	118,631	142,774	(24,143)
Fringe	22,841	24,605	30,079	(5,474)
Travel	-	-	-	-
Operating Services	4,050	1,850	6,487	(4,637)
Operating Supplies	-	250	261	(11)
Other	-	-	-	-
Meals	-	-	-	-
<u>Total Expenditures</u>	<u>133,649</u>	<u>145,336</u>	<u>179,601</u>	<u>(34,265)</u>
Excess of Revenues over (under) Expenditures	147,688	136,001	101,736	(34,265)
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	-	-	-	-
Operating transfers out	(147,688)	(136,001)	(101,736)	34,265
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -

**SUPPLEMENTARY FINANCIAL INFORMATION**

**Required by: Governor's Office of Elderly Affairs**

**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUND - NON MAJOR FUNDS**  
For Year Ended June 30, 2010

	<u>Audit</u>	<u>Sup Senior Center</u>	<u>RSVP</u>	<u>Utility Assistance</u>	<u>Total Non Major Funds</u>
<b>Revenue</b>					
Intergovernmental:					
City of Baton Rouge	\$ -	\$ -	-	-	-
Office of Elderly Affairs	6,625	59,307	-	-	65,932
Corporation for National and Community Service	-	-	23,476	-	23,476
Unrestricted Public Support	-	-	-	-	-
Restricted Public Support	-	-	-	-	-
Miscellaneous:					
General Public via Entergy	-	-	-	77,052	77,052
In-Kind Contributions	-	-	-	-	-
	<u>6,625</u>	<u>59,307</u>	<u>23,476</u>	<u>77,052</u>	<u>166,460</u>
<b>Expenditures</b>					
Current:					
Salaries and Wages	-	-	26,914	3,821	30,735
Fringe	-	-	3,535	1,233	4,768
Travel	-	-	678	22	700
Operating Services	-	-	3,440	312	3,752
Operating Supplies	-	-	800	70	870
Other Costs	16,775	-	15,688	93	32,556
Capital Outlay	-	-	-	-	-
Utility Assistance	-	-	-	163,299	163,299
Sub Grantees	-	59,307	-	-	59,307
In-Kind Services and Facilities	-	-	-	-	-
	<u>16,775</u>	<u>59,307</u>	<u>51,055</u>	<u>168,850</u>	<u>295,987</u>
Excess (deficiency) of Revenue over Expenditures	(10,150)	-	(27,579)	(91,798)	(129,527)
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	10,150	-	27,579	4,082	41,811
Operating Transfers Out	-	-	-	-	-
	<u>10,150</u>	<u>-</u>	<u>27,579</u>	<u>4,082</u>	<u>41,811</u>
Excess (deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	-	-	(97,716)	(97,716)
<b>Fund Balances</b>					
Beginning of Year	-	-	-	103,493	103,493
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,777</u>	<u>\$ 15,777</u>

**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE**

GENERAL FUNDS  
 For the Year Ended June 30, 2010

	Humana Meals	Local	PCOA	Health Screening	Grand Parents	Senior Activities	Field Meals Program	Public Relations	Senior Net	Total
<b>Revenues</b>										
Intergovernmental:										
City of Baton Rouge	\$ -	\$ 872,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 872,000
Office of Elderly Affairs			100,000		25,000					125,000
Unrestricted Public Support		57								57
Restricted Public Support		6,849				32,349				39,198
Program Services Fees:										
Participant Contributions								575		575
Program Income	90,002					1,204	65,220			156,426
Senior Olympics						10,677				10,677
Miscellaneous:										
Platinum Record Ad Sales								27,439		27,439
Resource Guide, Ad Sales										
Senior Olympics Sponsorship						12,750				12,750
Bingo		24,064								24,064
FEMA		19,161								19,161
Other		8,497				43,864		390		62,671
Golf Tourney										
Interest Income		450								450
In-Kind Contributions- Homewood		115,000								115,000
In-Kind Contributions		31,837	100,000		25,000	100,664	65,220	28,404		31,837
	90,002	1,077,916	100,000		25,000	100,664	65,220	28,404		1,487,205
<b>Expenditures</b>										
Current:										
Salaries and Wages	12,794	4,004		69,282		36,525	27,782	76,418	10,425	237,230
Fringe	2,569	381		11,250		5,369	4,984	14,918	1,415	40,797
Travel	13,923			6,539		3,503	3,703	1,103	69	26,832
Operating Services		14,065		6,698		11,715	4,472	82,173	662	120,273
Operating Supplies		20,965		1,471		31,189	1,006	1,493	190	56,333
Other Costs		38,778		1,682		59,242	677	15,010	254	114,683
Meals		2,868					23,082			25,950
Sub-Grantee					25,000					25,000
Capital Outlay		39,436								39,436
Debt Service:										
Principle Retirement										
Interest		5,634								5,634
Capital Outlay - In-Kind - Homewood		115,000								115,000
In-Kind Services and Facilities		51,837								51,837
	29,318	272,969		97,230	25,000	149,542	65,695	191,018	13,195	640,955
Excess (deficiency) of Revenue over Expenditures	60,684	804,927	100,000	(97,230)		(45,878)	(476)	(182,612)	(13,195)	646,220
<b>Other Financing Sources (Uses)</b>										
Operating Transfers In		63,516		97,230		49,878		182,612	13,195	402,433
Operating Transfers Out	(80,209)	(988,254)	(100,000)							(1,148,463)
	(80,209)	(924,738)	(100,000)	97,230		49,878		182,612	13,195	(744,029)
Excess (deficiency) of Revenue and Other Sources Over Expenditures and Other Uses	476	(97,800)					(476)			(97,800)
<b>Fund Balances</b>										
Beginning of Year	20,265	(68,130)				59,040	(16,069)	(49,209)		(75,097)
End of Year	\$ 20,781	\$ (185,930)	\$ -	\$ -	\$ 59,040	\$ 59,040	\$ (16,545)	\$ (49,209)	\$ -	\$ (172,905)

**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS**  
**AND CHANGES IN GENERAL FIXED ASSETS**

For the Year Ended June 30, 2010

	Balance June 30, 2009	Reclass- ifications	Additions	Deletions	Balance June 30, 2010
<b>GENERAL FIXED ASSETS</b>					
Vehicles	\$ 109,934	\$ -	\$ -	\$ -	\$ 109,934
Office furniture and equipment	143,011	-	1,325	-	144,336
Computer software	45,983	-	-	-	45,983
Nutrition equipment	62,045	-	-	-	62,045
Leasehold improvements	114,119	-	38,111	-	152,230
Capital lease equipment	62,364	-	-	-	62,364
Buildings	-	-	115,000	-	115,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL GENERAL FIXED ASSETS</b>	<b><u>\$ 537,456</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 154,436</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 691,892</u></b>
<b>INVESTMENT IN GENERAL FIXED ASSETS</b>					
Property acquired with funds from:					
General fund	\$ 530,838	\$ -	\$ 154,436	\$ -	\$ 685,274
RSVP	1,060	-	-	-	1,060
PCOA	3,558	-	-	-	3,558
Donations from the general public	2,000	-	-	-	2,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</b>	<b><u>\$ 537,456</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 154,436</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 691,892</u></b>

**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**SCHEDULE OF RSVP ACTIVITY**  
For the Grant Year Ended December 31, 2009

	<u>Actual</u>	<u>Actual %</u>	<u>Budget</u>	<u>Budget %</u>
Volunteer support	64,419	73%	\$ 61,449	72%
Volunteer expense	<u>23,713</u>	<u>27%</u>	<u>23,410</u>	<u>28%</u>
Total costs incurred	88,132	<u>100%</u>	<u>\$ 84,859</u>	<u>100%</u>
Cost paid with local match	<u>17,061</u>	0%		
Costs remaining to be paid with The Corporation for National and Community Service and GOEA funds	<u>71,071</u>			
Costs paid for with GOEA (State) funds received	11,990			
Costs paid with funds from The Corporation for National and Community Service	<u>59,081</u>			
Total	<u>71,071</u>			

**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**SCHEDULE OF PRIORITY SERVICES**  
**TITLE III-B – GRANT FOR SUPPORTIVE SERVICES**  
For the Year Ended June 30, 2010

	<u>Amount</u>	<u>Total</u>	<u>% of GOEA Grant</u>
<b>Access (43%):</b>			
Information & assistance	\$ 224,350		
Outreach	<u>89,384</u>		
<b>Total access expenses</b>		<b>\$ 313,734</b>	<b><u>109.62%</u></b>
<b>In-Home (43%):</b>			
Homemaker	298,923		
Other Priority Services	8,701		
Personal care	<u>38,491</u>		
<b>Total in-home expenses</b>		<b>346,115</b>	<b><u>120.93%</u></b>
<b>Legal (12%)</b>			
Legal assistance		14,645	<u>5.12%</u>
<b>Non-priority services</b>		<u>112,063</u>	
<b>Total III-B – supportive services expenditures</b>		<b>786,557</b>	
<b>Less: Other public support</b>			
Transfers In		<u>(500,357)</u>	
<b>Title III-B – supportive services grant</b>		<b>286,200</b>	
<b>Less: Transfers of contract allotments</b>			
State homemaker		(62,531)	
State transportation		<u>-</u>	
<b>Original grant award net of additional state homemaker and transportation funds and transfers of contract allotments</b>		<b><u>\$ 223,669</u></b>	



**SUPPLEMENTARY FINANCIAL INFORMATION**

**REQUIRED BY: OMB CIRCULAR A-133**

**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2010

Federal Grantor/Pass Through Grantors/Program Title	Federal CFDA Number	Grant Year End	Program or Award Amount	Revenue Recognized	Total Federal Expenditures
U.S. Department of Health and Human Services – <u>Administration on Aging</u>					
Passed Through the Louisiana Governor's Office of Elderly Affairs: Special Programs for the Aging:					
Title III, Part B Supportive Services	93.044	6/30/2010	\$ 190,119	\$ 190,119	\$ 190,119
Title III, Part C – Area Agency Administration	93.045	6/30/2010	65,941	65,941	65,941
Title III, Part C-1 Nutritional Services Congregate Meals	93.045	6/30/2010	185,481	185,481	185,481
Title III, Part C-2 Nutritional Services Home Delivered Meals	93.045	6/30/2010	<u>125,778</u>	<u>125,778</u>	<u>125,778</u>
Total Title III, Part C			<u>377,200</u>	<u>377,200</u>	<u>377,200</u>
Title III, Part D Disease Prevention and Health Promotion Services	93.043	6/30/2010	13,904	13,904	13,904
Title III, Part E Family Caregiver Program	93.052	6/30/2010	<u>78,185</u>	<u>78,185</u>	<u>78,185</u>
Total for U.S. Department Of Health and Human Services			<u>92,089</u>	<u>92,089</u>	<u>92,089</u>
<u>U.S. Department of Agriculture</u>					
Passed Through the Louisiana Governor's Office of Elderly Affairs: NSIP- Nutritional Supplement Incentive Program					
	93.053	6/30/2010	<u>151,163</u>	<u>151,163</u>	<u>151,163</u>
<u>The Corporation for National and Community Service</u>					
Direct Programs: Retired Senior Volunteer Program (RSVP)					
	94.002	12/31/2009	<u>59,081</u>	<u>23,476</u>	<u>23,476</u>
			<u>59,081</u>	<u>23,476</u>	<u>23,476</u>
			<u>\$ 869,652</u>	<u>\$ 834,047</u>	<u>\$ 834,047</u>

Note: This schedule is prepared using modified accrual basis of accounting as contemplated under accounting principles generally accepted in the United States of America and which is the same basis of accounting applied on the general purpose financial statement.

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

We have audited the financial statements of East Baton Rouge Council on Aging, Inc. as of and for the year ended June 30, 2010 and have issued our report thereon dated December 13, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered East Baton Rouge Council on Aging, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. (See Item B:1 on page 59.) *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
Michael R. Choate & Company, CPAs

December 13, 2010

**Report on Compliance With Requirements That Could Have a Direct and  
Material Effect on Each Major Program and on Internal Control Over  
Compliance in Accordance with OMB Circular A-133**

**Independent Auditor's Report**

**Compliance**

We have audited East Baton Rouge Council on Aging, Inc.'s compliance with the types of compliance requirements described in the OMB circular A-133 Compliance Supplement that could have a direct and material effect on each of the East Baton Rouge Council on Aging Inc.'s major federal programs for the year ended June 30, 2010. East Baton Rouge Council on Aging Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of East Baton Rouge Council on Aging Inc.'s management. Our responsibility is to express an opinion on East Baton Rouge Council on Aging Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that 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 East Baton Rouge Council on Aging Inc.'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 of East Baton Rouge Council on Aging Inc.'s compliance with those requirements.

In our opinion, East Baton Rouge Council on Aging Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

#### **Internal Control Over Compliance**

Management of East Baton Rouge Council on Aging Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered East Baton Rouge Council on Aging Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of East Baton Rouge Council on Aging Inc.'s internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items C:1 page 59 to be material weaknesses.

East Baton Rouge Council on Aging Inc.'s responses to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit East Baton Rouge Council on Aging Inc's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, others within the Council, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Michael R. Choate & Co.*  
Michael R. Choate & Company, CPAs

December 13, 2010

**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2010

**B: FINDING – FINANCIAL STATEMENT AUDIT**

One significant deficiency, no material weaknesses noted.

1. Budgets should be amended earlier in the year to avoid incurring budget and actual deficits.

The June 30, 2010 budget was amended April 27, 2010 and reported a budget deficit of (\$73,395), actual deficit in the General Fund was (\$97,809). The June 30, 2009 budget was amended May 26, 2009 and reported a budget deficit of (\$200,000). The year end actual deficit in the General Fund was (\$43,247) for 2009 and (\$193,638) for 2008.

**Response:** The budgets are amended on a timely basis when necessary. Each month the board of directors reviews the financial statements which include a comparison of budget to actual. The deficits, if any, are addressed at this time. Efforts are made by management throughout the year to alleviate any deficits as they occur.

**C: FINDINGS AND QUESTIONED COSTS- MAJOR FEDERAL AWARD PROGRAM AUDIT**

U.S. Department of Health and Human Services  
Special Programs for the Aging:  
Title III-B – Supportive Services; CFDA #93.044  
Title III-C – Nutritional Services; CFDA # 93.045  
Title III-D – Disease Prevention and Health Promotion Services; CFDA #93.043  
Title III-E – Caregiver Support; CFDA #93.052

1. **One Significant Deficiency - One material weakness**

The Governor's Office of Elderly Affairs requires the Council on Aging to report units of service each month. (The Agency Summary Report). Audit tests revealed that the units of service in the "SAMS" report is not reconciled to the underlying summary count sheets. Four months were tested for the Title C-1 and Title C-2 meals program. Instances of over reporting and under reporting were observed. None of the reports were approved by management. Filing was haphazard and organization appeared lax. An accurate count of units of service is significant in determining State and Federal funding. It is recommended that the monthly Agency Summary Report be approved in writing by a supervisor and employees be properly supervised and trained in the documentation process. This is continually a repeat finding.

**Response:** Underperforming personnel in the MIS department have been the underlying reasons for the deficiencies noted during the audit. The EBRCOA will correct the personnel problems associated with the deficiencies. We would also like the Governor's Office of Elderly Affairs to assist in this matter.



**EAST BATON ROUGE COUNCIL ON AGING, INC.**  
**Prior Year Findings**  
**Year Ended June 30, 2009**

**B: FINDING – FINANCIAL STATEMENT AUDIT**

One significant deficiency, no material weaknesses noted.

1. Budgets should be amended earlier in the year to avoid incurring budget and actual deficits.

The June 30, 2009 budget was amended May 26, 2009 and reported a budget deficit of (\$200,000). The year end actual deficit in the General Fund was (\$43,247) for 2009 and (\$193,638) for 2008. The Council budgets should be amended timely so additional deficits at this level can be avoided. This is a repeat finding.

**Response:** The budgets are amended on a timely basis when necessary. Each month the board of directors reviews the financial statements which include a comparison of budget to actual. The deficits, if any, are addressed at this time. Efforts are made by management throughout the year to alleviate any deficits as they occur.

**C: FINDINGS AND QUESTIONED COSTS- MAJOR FEDERAL AWARD PROGRAM AUDIT**

U.S. Department of Health and Human Services  
Special Programs for the Aging:  
Title III-B – Supportive Services; CFDA #93.044  
Title III-C – Nutritional Services; CFDA # 93.045  
Title III-D – Disease Prevention and Health Promotion Services; CFDA #93.043  
Title III-E – Caregiver Support; CFDA #93.052

1. **One Significant Deficiency - No material weakness**

The Governor's Office of Elderly Affairs requires the Council on Aging to report units of service each month. (The Agency Summary Report). Audit tests revealed that the units of service in the "SAMS" report is not reconciled to the underlying summary count sheets. Two months were tested for the Title C-1 and Title C-2 meals program. Instances of over reporting and under reporting were observed. The variance was less than 1% for C-1 Congregate Meals and for the C-2 Home Delivered Meals. It is recommended that the monthly Agency Summary Report be approved in writing and new employees be properly trained in documentation process. This is a repeat finding.

**Response:** New personnel in the MIS department have been the underlying reasons for the deficiencies noted during the audit. Also, the effects of hurricane Gustav has caused some training delays. The EBRCOA will definitely fix the personnel problems associated with the deficiencies to correct the problem. We would like the Governor's Office of Elderly Affairs assistance with our personnel with this problem to insure this does not happen again in the future..

**EXIT CONFERENCE**

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

**June 30, 2010**

The exit conference was held on, December 13, 2010, the last day of field work of the audit. Those in attendance were Michael R. Choate, Certified Public Accountant; and Johnny Dykes, Executive Director of the Council. The observations and findings of the audit were discussed.