

1086

RECEIVED  
LEGISLATIVE AUDITOR

2007 DEC 12 AM 11:05

**AVOYELLES COUNCIL ON AGING, INC.  
MARKSVILLE, LOUISIANA**

**FINANCIAL STATEMENTS  
AND  
AUDITORS' REPORTS**

**June 30, 2007**

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 2/13/08

# **TABLE OF CONTENTS**

## **Financial Report**

### **Avoyelles Council on Aging Marksville , Louisiana**

**June 30, 2007**

MANAGEMENT'S DISCUSSION AND ANALYSIS	1
INDEPENDENT AUDITOR'S REPORT	7
BASIC FINANCIAL STATEMENTS	
A. GOVERNMENTAL WIDE FINANCIAL STATEMENTS:	
· Statement of Net Assets	9
· Statement of Activities	10
B. FUND FINANCIAL STATEMENTS:	
· Balance Sheet	12
· Statement of Revenues, Expenditures, and changes in Fund Balances	13
· Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Fund to the Statement of Activities	15
C. NOTES TO THE FINANCIAL STATEMENTS	16
SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GASB STATEMENT 34:	
* Budgetary Comparison Schedule - General Fund	29
* Budgetary Comparison Schedule - Title III B Fund	30
* Budgetary Comparison Schedule - Title III C-1 Fund	31
* Budgetary Comparison Schedule - Title III C-2 Fund	32
* Budgetary Comparison Schedule- STEP	33
* Budgetary Comparison Schedule- Title 19	34

**SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA:**

- Schedule of Non-Major Special Revenue 36
- Comparative Schedule of General Fixed Assets  
and Changes in General Fixed Assets 38

**OTHER REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS**

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS 40

SCHEDULE OF FINDINGS AND QUESTIONED COSTS 42

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS 43

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (MD &A)**

The following discussion and analysis of Avoyelles Council on Aging's financial performance provides an overview of the Council's financial activities for the year ended June 30, 2007. Please read it in conjunction with the financial statements, which begin on page 9.

### **FINANCIAL HIGHLIGHTS**

- > The Council showed a net decrease in overall net assets of \$ 67,743 or 10% this year.
- > Net Capital Assets of the Council decreased by \$ 64,663 or 11%.
- > No deficit fund balances exist at year-end.
- > The unreserved, undesignated fund balance for the Council's General Fund was \$ 82,993 at year-end, which is a \$ 1,026 decrease from the prior year.

### **HOW TO USE THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 9 and 10) provide information about the activities of the Council as a whole and present a longer-term view of the Council's finances. Fund financial statements begin on page 12. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Council's operations in more detail than the government-wide statements by providing information about the Council's most significant funds.

Our auditor has provided assurance in his independent auditor's report, located immediately after this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. The auditor is providing varying degrees of assurance about Supplementary Financial Information Required by GASB Statement 34 and Supplementary Financial Information Required by GOEA that follow later in the reporting package. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each part of the financial section of the report.

#### **Reporting the Council as a Whole Using Government-Wide Statements**

Our analysis of the Council as a whole begins on page 9. An important question to ask about the Council's finances is, "Is the Council as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities (referred to collectively as the Government-Wide financial Statements) report information about the Council as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

The Government-Wide statements can be found on pages 9 and 10 and report the council's net assets and changes in them. Some of the net assets are restricted which means they can only be used for a specific purpose. The Statement of Net Assets is designed to present the financial position of the Council as of year-end. Over time, increases or decreases in the Council's net assets are one indicator of whether its financial position is improving or deteriorating. However, to assess the overall financial position of the Council, you will need to consider other non-financial factors, such as the condition of the Council's capital assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

The statement of activities provides information that shows how the Council's net assets changed as a result of this year's activities. All of the Council's significant activities are reported in the Statement of Activities. These activities include a Health, Welfare, and Social Services function. The Health, Welfare, and Social Services function is comprised of various programs that include various supportive social services, nutritional services, and utility assistance. All activities of the Council are considered to be governmental activities. A governmental activity is one where the Council uses money it received from government grants and contracts, along with donations from the general public, or a segment of the general public, such as the elderly. In other words, the people benefiting from the services are not required to pay for what they receive. If the Council charged fees to cover all or most of the cost of providing a service, that activity would be classified as a business-type activity. The Council does not have any business-type activities.

#### **Reporting the Council's Most Significant Funds Using Fund Financial Statements**

Our analysis of the Council's major funds begins on page 12. The Fund Financial Statements can be found on pages 12 to 15 and provide detailed information about the most significant funds-not the Council as a whole. In the Fund Financial Statements you will see a General Fund and a variety of Special Revenue Funds. The General Fund is used to account for proceeds that are not legally restricted to expenditure for specified purposes. By using separate funds to track revenues and expenditures, we can control and manage funds for particular purposes or we can show that the fund is meeting legal responsibilities for using certain grants and other money.

The General Fund and Special Revenue Funds are considered governmental funds. Governmental funds focus on how money flows into and out of funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called the *modified* accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Council's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Council's programs. We have presented the difference between the net assets of governmental activities and the fund balances of the governmental funds in a reconciliation at the bottom of the Balance Sheet for Governmental Funds. In addition, the difference between the change in net assets for the governmental funds and the change in net assets for the governmental activities has been presented in a reconciliation on a separate page that follows the statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds.

## 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 on pages 16 to 26. You should read the notes before making assumptions or drawing conclusions about the Council's financial condition.

### Supplementary Financial Information Required by GASB Statement 34

The Governmental Accounting Standards Board (GASB) Statement 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted annual budget. The schedules compare the original and final appropriated budgets to actual budget results for the Council's fiscal year. We have also opted to present positive and negative variances between the final budget and actual amounts.

Major funds are those funds whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a major fund could be a fund that does not meet these criteria but which we believe is important to present for the Council's financial statement users.

Management's Discussion and Analysis is also required supplementary information (RSI) by GASB Statement 34. However, it is presented as the first item in this reporting package and not with the other RSI by GASB statement 34.

### Other Supplementary Financial Information Required by GOEA

The Council has also presented other required supplemental information in this report package.

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present as schedules the information on pages 33 and 35. This information will be used by GOEA to verify the accuracy of information the Council submitted to it during the year and to help GOEA monitor certain compliance requirements set forth in the grants that it has with the Council.

### AN ANALYSIS OF THE COUNCIL AS A WHOLE USING GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following table reflects condensed information on the Council's net assets:

	<u>2006</u>	<u>2007</u>
Current and other assets	\$ 139,252	\$ 136,121
Capital Assets, net of depreciation	577,143	512,480
Total Assets	716,395	648,601
Current Liabilities	59,711	59,660
Total Liabilities	59,711	59,660
Invested in capital assets, net of related debt	551,276	487,516
Restricted	21,389	18,432
Unrestricted	84,019	82,993
Total Net Assets	\$ 656,684	\$ 588,941

As of June 30, 2007, the Council "as a whole" had assets greater than its liabilities by \$ 588,941. The Council's total net assets decreased from \$ 656,684 to \$ 588,941. This equates to an decrease of 11%.

The Council's unrestricted net assets actually decreased by \$ 1,026 or 1% over the year. About 14% of the Council's net assets are unrestricted as of June 30, 2007. It is important that the Council have unrestricted net assets so that we will have resources available to adapt to changes in the economy, emergencies, unexpected needs, and reduction in or termination of grant revenues by government agencies.

The Council's restricted net assets decreased by \$ 2,957 or 14%. Net assets are reported as restricted when the constraints placed upon the asset's use are either (a) externally imposed by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

The net assets that have been invested in capital assets are presented net of any related outstanding debt incurred to acquire them.

### **AN ANALYSIS OF GOVERNMENTAL ACTIVITIES**

Most of the Council's activities are funded by federal, state, and local grants. These grants amount to approximately 74% of the revenues of the Council in 2007 and 92% in 2006. Some of these grants are restricted which means that the money can only be used in certain programs. The amount of funds available from most of the grants remains rather constant from year to year, however, some grant amounts may change based upon the level of service by the Council under terms of the particular grant award.

The Council also receives donations from its clients and the general public. These revenues help to lessen the financial burden on the Council and allow it to maintain and expand services. Public support revenues represented 26% and 10% of the total revenues of 2007 and 2006 respectively.

The Council invests idle funds and is able to earn some interest on this money each year. The investment earnings are used or accumulated as necessary to meet expenses each year.

When reviewing the Government-Wide Statement of activities, there are relationships that are important to the understanding of the Council's operations. As you can see, the Council's largest activities are related to nutrition services. The Council's main focus is to meet the needs of the elderly citizens of Avoyelles Parish. There is a high demand for these services; therefore, resources are channels to meeting the demand.

### **AN ANALYSIS OF THE COUNCIL'S FUNDS USING GOVERNMENTAL FUND FINANCIAL STATEMENTS**

#### **Fund Balances**

The Council showed a combined governmental fund balance of \$ 101,425 (as shown on the Fund Financial Statement's balance sheet at page 12) at the end of this year, which is a decrease of \$ 3,983. However, when you look at the funds individually you will see that the Council's General Fund decreased by \$ 2,485 this year, while the Special Revenue Funds had a combined fund balance decrease of \$ 1,498.

In addition, the General Fund also transferred funds to cover the deficits of some of the Special Revenue Funds. The transfers to the Special Revenue funds are the main reasons for the decrease in General Fund's fund balance this year.

**Revenues**

The combined fund revenues increased \$ 6,304 this year versus last year or 1%.

**Expenditures**

Total expenditures decreased by \$ 8,412 this year, or 1%.

**AN ANALYSIS OF THE GENERAL FUND BUDGET**

The original and final budgets for the General, Title III-B, Title III C-1, and Title III C-2 funds are located in the Supplementary Financial Information Required by GASB Statement 34 section of this report on pages 28 to 31. When you review the budget versus actual schedule, you will note that the favorable and unfavorable variances are not very large. This is a result of the budget amendment process, which allows us the opportunity to use hindsight to adjust the forecast made at the beginning of the year, if necessary.

**AN ANALYSIS OF CAPITAL ASSET AND DEBT ADMINISTRATION**

At the end of the year, the Council had \$ 512,480 in fixed assets net of accumulated depreciation of \$ 735,380. This amounted to a net decrease of \$ 64,663 over last year.

Capital Assets, Net of Depreciation at Year End

	Governmental Activities	
	<u>2006</u>	<u>2007</u>
Land	\$45,500	\$45,500
Furniture & Equipment	2,706	2,055
Buildings	441,615	418,294
Vehicles	87,322	46,631
	<u>\$577,143</u>	<u>\$512,480</u>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The Council receives most of its funding from federal and state agencies passed through the Cenla Area Agency on Aging, Inc. Because of this, the source of income for the Council is rather steady. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council, and therefore, revenues may vary from year to year. In setting the budget for fiscal year 2008, it was important that we deliver at least the same level of service to our clients and the public as we did in 2007. All of the Council's grants and contracts from the usual federal and state agencies have been approved for FY 2008. There have been no significant changes to the funding levels or terms of the grants and contracts. Accordingly, we have set our initial budget to provide the same programs and levels of service next year. There are no plans to add any significant programs for the next year.

## **CONTACTING THE COUNCIL'S MANAGEMENT**

Our financial report is designed to provide government agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask for more information, you should contact Sabrina Sonnier, the Council's Executive Director, at the Council's main office located at 224 S. Preston Street, Marksville, Louisiana, by phone at 318-253-8416.

**GOVERNMENT WIDE FINANCIAL STATEMENTS**

# Paul Dautat, CPA

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 12359  
Alexandria, LA 71315

MEMBER  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Avoyelles Council on Aging, Inc.  
Marksville, Louisiana

I have audited the accompanying general purpose financial statements of Avoyelles Council on Aging, Inc., ( a non-profit, quasi-public organization ) as of and for the year ended June 30, 2007. These general purpose financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Avoyelles Council on Aging, Inc., as of June 30, 2007, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated November 16, 2007 on my consideration of the Council's internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations and contracts.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The additional information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Avoyelles Council on Aging, Inc. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Certified Public Accountant  
November 16, 2007

**AVOYELLES  
COUNCIL ON AGING, INC.  
MARKSVILLE, LOUISIANA**

**GOVERNMENT WIDE STATEMENT OF NET ASSETS  
JUNE 30, 2007**

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 56,657
Grants and Contracts Receivable	72,929
Prepaid Van Match	6,535
Capital Assets (net of accumulated depreciation)	<u>512,480</u>
Total Assets	<u>648,601</u>
Accounts Payable	33,703
Payroll Liabilities	993
Building Note Payable	<u>24,964</u>
Total Liabilities	<u>59,660</u>
<b>Net Assets</b>	
Invested in Capital Assets ( net of debt)	487,516
Restricted for:	
JARC	5,688
FEMA	3,452
LASAS	3,989
Tobacco Free Living	3,300
Utility Assistance	2,003
Unrestricted/ Undesignated	82,993
Total Net Assets	<u>\$ 588,941</u>

The accompanying notes are an integral part of this statement.

AVOYELLES COUNCIL ON AGING, INC.  
MARKSVILLE, LOUISIANA

GOVERNMENT WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007

Function/Programs Governmental Activities	Direct Expenses	In-Direct Expenses	Program Revenues		Net (Expenses) Revenue and Increases (Decreases) in Net Assets
			Operating Grants and Contributions	Capital Grants and Contributions	
Health, Welfare, & Social Services:					
Supportive Services:					
Other Services	\$ 64,346	13,412	\$ 77,758	\$ -	-
Information and Assistance	10,907	2,270	13,177	-	-
Outreach	20,875	4,358	25,233	-	-
Transportation	119,794	24,971	144,765	-	-
Nutrition Services:					
Congregate Meals	61,377	12,794	74,171	-	-
Home Delivered Meals	122,496	25,535	148,031	-	-
Utility Assistance	13,939		17,543	-	3,604
National Family Caregiver Support:					
Respite Care	20,336	4,238	24,574	-	-
Other Services	15,970	3,330	19,300	-	-
In Home Service	1,336	278	1,614	-	-
Transportation & Development Services	275,916	57,516	333,432	-	-
Interest on Long Term Debt	1,209	-	-	-	(1,209)
Other Senior Activities	153,830	414,811	257,159	-	(311,482)
Total Governmental Activities	\$ 882,331	\$ 563,513	\$ 1,136,757	\$ -	(309,087)
General Revenues:					
Grants and Contributions not restricted to specific programs					240,885
Unrestricted Investment Income					459
Total General Revenues					241,344
Increase (Decrease) in Net Assets					(67,743)
Net Assets - Beginning of the year					656,684
Net Assets - End of the year					\$ 588,941

The accompanying notes are an integral part of this statement

**FUND FINANCIAL STATEMENTS**

**AVOYELLES COUNCIL ON AGING, INC.**  
**MARKSVILLE, LOUISIANA**

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2007**

	General Fund	Title III B	Title III C-1	Title III C-2	STEP	Title 19	Non-Major Funds	Total
<b>Assets</b>								
Cash	\$ 38,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,432	\$ 56,657
Grants and Contracts Receivable	46,598	5,632	2,135	7,022	-	1,904	9,638	72,929
Prepaid Van Match	6,535	-	-	-	-	-	-	6,535
Due from Special Revenue Funds	26,331	-	-	-	-	-	-	26,331
Total Assets	<u>\$ 117,689</u>	<u>\$ 5,632</u>	<u>\$ 2,135</u>	<u>\$ 7,022</u>	<u>\$ -</u>	<u>\$ 1,904</u>	<u>\$ 28,070</u>	<u>\$ 162,452</u>
<b>Liabilities</b>								
Accounts Payable	33,703	-	-	-	-	-	-	33,703
Payroll Liabilities	993	-	-	-	-	-	-	993
Due to General Fund	-	5,632	2,135	7,022	-	1,904	9,638	26,331
Total Liabilities	<u>34,696</u>	<u>5,632</u>	<u>2,135</u>	<u>7,022</u>	<u>-</u>	<u>1,904</u>	<u>9,638</u>	<u>61,027</u>
<b>Fund Balances:</b>								
Reserved for:								
Contingencies	-	-	-	-	-	-	-	0
JARC	-	-	-	-	-	-	5,688	5,688
FEMA	-	-	-	-	-	-	3,452	3,452
LASAS	-	-	-	-	-	-	3,989	3,989
Tobacco Free Living	-	-	-	-	-	-	3,300	3,300
Utility Assistance	-	-	-	-	-	-	2,003	2,003
Unreserved/Undesignated	82,993	-	-	-	-	-	-	82,993
Total Fund Balances	<u>82,993</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,432</u>	<u>101,425</u>
Total Liabilities and Fund Balances	<u>\$ 117,689</u>	<u>\$ 5,632</u>	<u>\$ 2,135</u>	<u>\$ 7,022</u>	<u>\$ -</u>	<u>\$ 1,904</u>	<u>\$ 28,070</u>	<u>\$ 162,452</u>

Amounts reported for governmental activities in the statement of net assets are different because:  
 Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.  
 Capital asset financing notes payable are not paid for out of current financial resources and not reported in the funds.  
 Net Assets of Governmental Activities

512,480
(24,964)
<u>\$ 588,941</u>

The accompanying notes are an integral part of this statement.

AVOUELLES COUNCIL ON AGING, INC.  
MARKSVILLE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007

	General Fund	Title III-B	Title III C-1	Title III C-2	STEP	Title 19	Setion 5311	Non-Major Funds	Totals
<b>Revenues</b>									
Intergovernmental:									
Governor's Office of Elderly Affairs	\$ 45,660	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,429	\$ 96,089
Passed Through Cenla Area Agency on Aging, Inc.	-	67,474	-	74,589	-	-	-	30,709	172,772
La. Dept of Health & Hospitals	6,860	-	-	-	-	79,260	-	-	86,120
La. Dept of Transportation	-	-	-	-	-	-	\$ 195,369	-	195,369
La. Dept of Social Services	-	-	-	-	76,550	-	-	74,658	151,208
FEMA	-	-	-	-	-	-	-	9,911	9,911
Dept of Health & Human Svcs.	-	-	-	-	-	-	-	-	0
Police Jury	5,500	-	-	-	-	-	-	-	5,500
Pharmacy Receipts	-	-	-	-	-	-	-	-	0
Flu Shot Receipts	28,475	-	-	-	-	-	-	-	28,475
Public Contributions	38,230	-	56,728	68,292	-	11,268	15,725	7,632	197,875
Miscellaneous	80,959	-	82	-	-	-	-	-	81,041
Rental Income	35,200	-	-	-	-	-	-	-	35,200
Interest Income	459	-	-	-	-	-	-	-	459
<b>Total Revenues</b>	<b>241,343</b>	<b>67,474</b>	<b>56,810</b>	<b>142,881</b>	<b>76,550</b>	<b>90,528</b>	<b>211,094</b>	<b>173,339</b>	<b>1,060,019</b>
<b>Expenditures</b>									
Health, Welfare & Social Services									
Current:									
Salaries	11,275	142,795	52,637	85,374	51,441	77,626	-	67,357	488,505
Fringe	1,699	25,173	7,935	12,870	7,755	11,702	-	10,153	77,287
Travel	1,836	10,825	745	837	398	516	-	5,095	20,252
Operating Services	117,614	51,209	7,495	42,314	32,831	35,135	-	20,887	307,485
Operating Supplies	17,015	28,369	5,142	5,699	20,451	22,728	-	12,601	112,005
Other Costs	11,458	2,562	217	937	627	1,235	-	483	17,519
Utility Assistance	-	-	-	-	-	-	-	13,837	13,837
PCOA Discretionary Expenditures	25,000	-	-	-	-	-	-	-	25,000
Debt Service:									
Principle	903	-	-	-	-	-	-	-	903
Interest	1,209	-	-	-	-	-	-	-	1,209
<b>Total Expenditures</b>	<b>188,009</b>	<b>260,933</b>	<b>74,171</b>	<b>148,031</b>	<b>113,503</b>	<b>148,942</b>	<b>-</b>	<b>130,413</b>	<b>1,064,002</b>

<b>Excess (Deficiency) of Revenues Over Expenditures</b>	53,334	(193,459)	(17,361)	(5,150)	(36,953)	(58,414)	211,094	42,926	(3,983)
<b>Other Financing Sources (Uses)</b>									
Operating Transfers In	214,765	193,459	17,361	5,150	36,953	58,414	(211,094)	13,165	539,267
Operating Transfers Out	(270,584)	-	-	-	-	-	-	(57,589)	(539,267)
Total Other Financing Sources (Uses)	<u>(55,819)</u>	<u>193,459</u>	<u>17,361</u>	<u>5,150</u>	<u>36,953</u>	<u>58,414</u>	<u>(211,094)</u>	<u>(44,424)</u>	<u>-</u>
<b>Net Increase (Decrease) in Fund Balances</b>	(2,485)	-	-	-	-	-	-	(1,498)	(3,983)
<b>Fund Balance, Beginning of Year</b>	85,478	-	-	-	-	-	-	19,930	105,408
<b>Fund Balance, End of Year</b>	<u>\$ 82,993</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,432</u>	<u>\$ 101,425</u>

The accompanying notes are an integral part of this statement.

**AVOYELLES COUNCIL ON AGING, INC.**  
**MARKSVILLE, LOUISIANA**

**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental  
Funds to the Statement of Activities**

**Year Ended June 30, 2007**

Net Increase (Decrease) in fund balances - total governmental funds	\$ (3,983)
 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 of depreciation expense charged less the additions to assets.	 (64,663)
 Repayment of note principle is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Activities.	 <u>903</u>
 Increase (Decrease) of net assets of governmental activities	 <u><u>\$ (67,743)</u></u>

The accompanying notes are an integral part of this statement.

AVOYELES COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

**NOTE 1 Purpose of the Council on Aging and Summary of Significant Accounting Policies**

**A. Purpose of the Council on Aging**

The purpose of the Council is to collect facts and statistics and make special studies of conditions pertaining to the employment, financial status, recreation, social adjustment, mental and physical health or other conditions affecting the welfare of the aging people in the parish; to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States; to interpret its findings to the citizens of the parish and state level; to conduct public meetings to make recommendations for needed improvements and additional resources; to promote the welfare of aging people when requested to do so; to coordinate and monitor services of other local agencies serving the aging people of the parish; and to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA) and other departments of state and local governments serving the elderly; and to make recommendations relevant to the planning and delivery of services to the elderly of the parish.

Specific services provided by the Council to the elderly residents of the parish include providing congregate and home delivered meals, nutritional education, wellness, information and assistance, outreach, chore, telephoning, medication management, utility assistance, recreation and transportation.

**B. Reporting Entity**

In 1964, the State of Louisiana passed Act 456 authorizing the charter of a voluntary council on aging for the welfare of the aging people in each parish of Louisiana. However, before the council on aging can begin operations in a specific parish, its application for a charter must receive approval from the Governor's Office of Elderly Affairs pursuant to LA R.S. 46:1602. The functions of each council on aging in Louisiana must comply with the objectives of state laws and are governed by the policies and regulations established by GOEA.

The Organization is a legally separate, non-profit, quasi-public corporation. It received its charter and began operations on July 8, 1969. A board of directors, consisting of 15 voluntary members, who serve three year terms, governs the Council. The board of directors is comprised of, but not limited to representatives of the Parish's elderly population, general public, private businesses and elected public officials. Board members are elected annually.

Membership in the Council is open at all times, without restriction, to all residents of the parish who have reached the age of majority and who express an interest in the Council and wish to contribute to or share in its programs. Membership fees are not charged.

Based on the criteria set forth in GASB Statement 14, the Council on Aging is not a component unit of another primary government nor does it have any component units that are related to it. In addition, based on the criteria set forth in GASB Codification Section 2100, the Council has presented its financial statements as a primary government, because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As previously

AVOYELES COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

mentioned, GOEA establishes the policies and regulations that all councils must follow. Included in its policies is a provision that the Council's budget be approved by GOEA. However, this approval process is part of GOEA's general oversight responsibility for the Council and is more ministerial or compliance oriented than substantive.

Accordingly, the Council is viewed as being fiscally independent for purposes of applying the reporting entity criteria of GASB Statement 14.

**C. Presentation of Statements**

The Council's statements are prepared in accordance with accounting principles generally accepted ( GAAP ) in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board ( GASB ) is responsible for establishing GAAP for state and local governments through its pronouncements ( Statements and Interpretations ). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board ( FASB ) issued through November 30, 1989 ( when applicable ) that do not conflict with or contradict GASB pronouncements.

The Council has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds; however, the Council has chosen not to do so because it does not have any business-type activities or enterprise funds. The more significant accounting policies established in GAAP and used by the Council are discussed below.

In June 1999, the Governmental Accounting Standards Board ( GASB ) unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* . Certain of the significant changes in the Statement include the following:

- \* A Management Discussion and Analysis ( MD & A ) section providing an analysis of the Council's overall financial position and results of operations.
- \* Government-Wide Financial statements prepared using full accrual accounting for all of the Council's activities.
- \* A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements ( including notes to financial statements ). The Council was required to implement the general provisions of GASB Statement No. 34 in the fiscal year ended June 30, 2004.

**D. Basic Financial Statements-Government-Wide Statements**

The Council's basic financial statements include both Government-Wide ( reporting the Council as a whole ) and fund financial statements ( reporting the Council's major funds ). Both the Government-Wide and Fund Financial Statements categorize primary activities as either governmental or business type. The Council's functions and programs have been

**AVOYELES COUNCIL ON AGING, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2007**

classified as governmental activities. The Council does not have any business-type activities, fiduciary funds, or any component units that are fiduciary in nature. Accordingly, the Government-Wide financial statements do not include any of these activities or funds.

In the Government-Wide Statement of Net Assets, the governmental type activities Column is presented on a consolidated basis by column, and is reported on a full accrual, economic basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net assets are reported in three parts; invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Invested in capital assets, net of related debt, consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. Restricted net assets consist of net assets with constraints placed on the use either by ( 1 ) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or ( 2 ) law through constitutional provisions or enabling legislation. Unrestricted net assets include all other net assets that do not meet the definition of " restricted " or " invested in capital assets, net of related debt ".

The Council's policy is to use restricted resources first to finance its activities. Quite often unrestricted resources are available for use that must be consumed or they will have to be returned to GOEA. In such cases it is better for management to elect to apply and consume the unrestricted resources before using the restricted resources. As a result, the Council will depart from its usual policy of using restricted resources first.

The Government-Wide Statement of Activities reports both the gross and net cost of each of the Council's functions and significant programs. Many functions and programs are supported by general government revenues like intergovernmental revenues and unrestricted investment income, particularly if the function or program has a net cost. The Statement of Activities begins by presenting gross direct and indirect expenses that include depreciation, and then reduces the expenses by related program revenues such as operating and capital grants and contributions, to derive the net cost of each function or program. Program revenues must be directly associated with the function or program to be used to directly offset its cost. Operating grants include operating-specific and discretionary ( either operating or capital ) grants, while the capital grants column reflects capital-specific grants.

The Council allocates its indirect costs among various functions and programs in accordance with Circular A-87. The Statement of Activities presents this allocation in a separate column labeled indirect expenses. In addition, GOEA provides grant funds to help the Council pay for a portion of its indirect costs. As a result, only the indirect costs in excess of the GOEA funds are allocated to the Council's other functions and programs.

The Government-Wide Statements focus on the Council's ability to sustain operations and the change in its net assets resulting from the current year's activities.

AVOYELES COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

**E. Basic Financial Statements-Fund Financial Statements**

The financial transactions of the Council are reported in individual funds in the Fund Financial Statements. 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 on the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are reported by generic classification within the financial statements.

The Council uses governmental fund types. The focus of the governmental fund measurement ( in the fund statements ) is on the determination of financial position and changes in financial position ( sources, uses and balances of financial resources ) rather than on net income. An additional emphasis is placed on major funds within the governmental fund types. 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 or type.

Governmental fund equity is called fund balance. Fund balance is further classified as reserved and unreserved, with unreserved being further divided into designated and undesignated. Reserved means that the fund balance is not available for expenditure because resources have already been expended ( but not consumed ), or a legal restriction has been placed on certain assets that makes them only available to meet future obligations. Designated fund balances result when management tentatively sets aside or earmarks certain resources to expend in a designated manner. In contrast to reserved fund balances, designated amounts can be changed at the discretion of management.

The following is a description of the governmental funds of the Council:

- \* *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. Included in the General Fund are PCOA ( Act 735 ) funds appropriated by the Louisiana Legislature. The Council may use these funds at its discretion for persons at least 60 years old.
- \* *Special Revenue Funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. A large percentage of the Council's special revenue funds are Title III funds. These funds are provided by the United States Department of Health and Human Services-Administration on Aging to the Governor's Office of Elderly Affairs, which in turn passes through the funds to the Cenla Area Agency on Aging, which passes through the funds to the Council on a predetermined unit cost reimbursement basis.

The Council has established several special revenue funds. The following is a brief description of each special revenue fund's purpose:

AVOYELES COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

**Major Special Revenue Funds**

*The Title III B Fund* is used to account for funds which are used to provide various units of supportive social services to the elderly. GOEA has established the criteria for defining a qualifying unit of service for each Title III B program.

*The Title III C-1 Fund* is used to account for funds that are used to provide nutritional, congregate meals to the elderly at meal sites located in the Parish. During the year the Council served 34,582 meals to people eligible to participate in this program.

*The Title III C-2 Fund* is used to account for funds that are used to provide nutritional meals to homebound older persons. The Council served 85,364 meals during the year to people eligible to participate in this program.

*The Section 5311 Fund* is used to account for funds that are used to provide public transportation to the general public.

*The STEP Fund* is used to account for funds that are used to provide transportation to and from work and children to daycare.

*The JARC Fund* is used to account for funds that provide transportation to and from work. Recipients are referred from the local welfare office.

**Non-Major Special Revenue Funds**

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

*The Title III E Fund* accounts for the resources and activities of the National Family Caregiver Support Program. The purpose of the program is to provide multifaceted systems of support services for the family caregivers of older individuals who are relative caregivers.

*The Senior Center Fund* is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to GOEA, who passes on the funds to the Council. The purpose of this program is to provide a community service center at which elderly people can receive supportive social services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The senior center for the Parish is located in Marksville, La. Senior Center funds can be used at management's discretion to support any of the Council's programs that benefit the elderly. Accordingly, during the fiscal year, the Senior Center Fund transferred all of its grant revenue to the Title III B Fund to purchase units of service for elderly persons who use the senior center.

AVOYELES COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

*The Utility Assistance Fund* is used to account for the administration of utility assistance that is sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the Parish Councils on aging to provide assistance to the elderly for the payment of utility bills. The Council receives its Project Care donations directly from Entergy Corporation. LP & L Helping Hands donations are provided through the East Baton Rouge Council on Aging, Inc.

*The Supplemental Senior Center Fund* was established to account for funds that were appropriated by the Louisiana Legislature for the various councils on aging throughout Louisiana to supplement each council's primary grant for senior center operations and activities. The Council was one of the parish councils to receive a supplemental grant. The money received by this fund during the year was transferred to the Title III B Fund to supplement the senior center services purchased from this fund.

*The FEMA Fund* is used to account for funds to provide assistance to the homeless and utility assistance. Recipients must meet national poverty guidelines.

*The LASAS Fund* is used to account for funds that serve the intergenerational mentorship program.

*The Title 19 Fund* is used to account for funds that provide transportation to medical facilities for Medicaid eligible recipients.

**F. Measurement Focus and Basis of Accounting**

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**\* Accrual Basis-Government-Wide Financial Statements ( GWFS )**

The Statement of Net Assets and the Statement of Activities display information about the Council as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange like transactions are recognized when the exchange takes place.

**\* Modified Accrual Basis-Fund Financial Statements ( FFS )**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Council considers all revenues available if they are collected within 60 days after year end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that un-matured principle and interest on long-term debt, if any, are recorded when due, and claims and judgments and compensated absences are recorded as expenditures when

AVOYELES COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

**G. Interfund Activity**

Interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. All other interfund transactions are treated as transfers. Transfers represent a permanent reallocation of resources between funds. Transfers between funds are netted against one another as part of the reconciliation of the change in fund balances in the fund financial statements to the change in net assets in the Government-Wide Financial Statements.

**H. Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and petty cash. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Cash and cash equivalents are reported at their carrying amounts that equal their fair values.

**I. Investments**

GASB Statement No. 31 requires the Council to report its investments at fair value, except for investments in non-participating interest earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates. This type of investment is reported using a cost based measure, provided that the fair market value of the contract is not significantly affected by the impairment of the credit standing of the issuer or other factors.

Investments that include securities traded on a national or international exchange are valued based on their last reported sales price. Investments that do not have an established market are reported at estimated fair value.

**J. 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.

AVOYELES COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

Capital assets recorded in the Government-Wide Financial Statements are depreciated using the straight-line method for the assets estimated useful lives. The estimated useful lives of the various classes of capital assets are as follows:

Buildings	30 years
Building Improvements	20 years
Equipment	5-10 years
Furniture	10 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 of capital assets, management has used 10 % of the vehicle's initial cost as a salvage value estimate.

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

**K. Compensated Absences**

Annual leave is earned by employees and may be carried over into the next year at a rate of no more than one year's accumulation of 80 hours. This amount is not significant and has not been recorded in the financial statements. Employees do not vest in accumulated sick leave.

**L. Management's Use of Estimates**

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

**M. Elimination and Reclassifications**

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

**NOTE 2 Revenue Recognition**

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

AVOYELES COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

**NOTE 3 Cash**

The Council maintains a checking account at Concordia Bank & Trust Co. The consolidated bank account is available for use by all funds. The purpose of this account is to reduce administration costs and facilitate cash balances to cover any negative cash balances in other funds at year end. At June 30, 2007, the balance of the Council's bank accounts totaled \$ 56,657. All of the deposits were covered by Federal depository insurance. GASB Statement No. 3 categorized the credit risk of these deposits as Category 1 because they are fully insured. The collected bank balances totaled \$ 65,903. At June 30, 2007, the balance of certificates of deposits were \$ 1,481.

**NOTE 4 Contracts Receivable**

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

Government grants and contracts receivable at year end consist of the following:

<u>Program</u>	<u>Fund</u>	<u>Funding Agency</u>	<u>Amount</u>
Title III-B	Special Revenue	Cenla AAA	\$ 5,632
Title III C-1	Special Revenue	Cenla AAA	626
Title III C-2	Special Revenue	Cenla AAA	6,055
Title III E	Special Revenue	Cenla AAA	3,198
Title III D	Special Revenue	Cenla AAA	360
Total			<u>\$ 15,871</u>

**NOTE 5 Changes in Property and Equipment**

A summary of changes in property and equipment follows:

	Balance 6/30/2006	Additions	Deletions	Balance 6/30/2007
Land	\$ 45,500			\$ 45,500
Buildings	742,673			742,673
Furniture and Equipment	50,101		\$ (1,736)	48,365
Vehicles	411,322			411,322
Totals	<u>\$ 1,249,596</u>	<u>\$ -</u>	<u>\$ (1,736)</u>	<u>\$ 1,247,860</u>

Depreciation was charged to governmental activities as follows:

Supportive Services:

Recreation ( Non-priority services )	\$ 24,073
Transportation	\$ 40,590

AVOYELES COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

**NOTE 6: Board of Directors' Compensation**

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for any out of pocket costs that they might incur on behalf of the Council in accordance with the Council's applicable reimbursement policy.

**NOTE 7: Income Tax Status**

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

**NOTE 8: Judgments, Claims and Similar Contingencies**

There is no litigation pending against the Council as of year end. The Council's management believes that any potential lawsuits would be adequately covered by insurance or resolved without any material impact upon the Council's financial statements.

**NOTE 9: Contingencies-Grant Programs**

The Council participates in a number of State and Federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Council has not complied with the rules and regulations governing the grants, refunds of any money received and the collection of any related receivable at year end may be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing State and Federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Council.

**NOTE 10: Economic Dependency**

The Council receives the majority of its revenue through grants from the Louisiana Governor's Office of Elderly Affairs ( GOEA ) and awarded to the Cenla Area Agency on Aging, Inc. who awards these grants to the Council on a per unit of service provided. The grant amounts are appropriated each year by Federal and State governments. If significant budget cuts are made at the Federal and/or State level, the amount of funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the next fiscal year.

AVOYELES COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

**NOTE 11 Risk Management**

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. No settlements have been made.

**NOTE 12 Inter-fund Transfers**

Operating transfers in and out are listed by fund for fiscal year ended 2007:

Transferred In	Transferred Out							General Fund	Total In
	FEMA	Title III D	JARC	Section 5311	PCOA	Senior Center	Supp Senior Center		
Title III B	\$ -	\$ -	\$ -	\$ -	\$ 20,660	\$ 42,965	\$ 3,100	\$ 126,734	\$ 193,459
Title III C-1								17,361	17,361
Title III C-2	5,103							47	5,150
Title III E								13,165	13,165
Title 19								58,414	58,414
STEP		2,750						34,203	36,953
General Fund			3,671	211,094					214,765
<b>Total Out</b>	<b>\$ 5,103</b>	<b>\$ 2,750</b>	<b>\$ 3,671</b>	<b>\$ 211,094</b>	<b>\$ 20,660</b>	<b>\$ 42,965</b>	<b>\$ 3,100</b>	<b>\$ 249,924</b>	<b>\$ 539,267</b>

Transfers are used to move revenues from the fund that statute or budget requires to expend them, and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

These transfers were eliminated as a part of the consolidation process in preparing the Government Wide Financial Statements.

**NOTE 14 Related Party Transactions**

There were no related party transactions during the year.

AVOYELES COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

**NOTE 15 Long-Term Debt**

In July of 2004, the Council secured a loan for the addition to the Senior Center. The loan was in the amount of \$27,456 and is payable by monthly installments of \$176 over the next 20 years with 4.75% stated interest.

Principal Balance, June 30, 2006	\$ 25,867
Additions	-
Deletions	<u>(903)</u>
Principal Balance, June 30, 2007	<u>\$ 24,964</u>

Future Debt Service Requirements

<u>Years Ending</u>	<u>Interest</u>	<u>Principal</u>
6-30-08	\$ 1,166	\$ 946
6-30-09	1,119	993
6-30-10	1,072	1,040
6-30-15	4,547	6,013
6-30-20	2,939	7,621
6-30-25	<u>625</u>	<u>8,351</u>
	<u>\$ 11,468</u>	<u>\$ 24,964</u>

**SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34**

**AVOYELLES COUNCIL ON AGING, INC.**  
**MARKSVILLE, LA**

**Budgetary Comparison Schedule-General Fund**  
**For The Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>GAAP</u> <u>Basis</u>	<u>Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 20,660	\$ 45,660	\$ 45,660	\$ -
Passed through Cenla Area Agency on Aging	-	-		-
La. Department of Health & Hospitals	11,802	11,802	6,860	(4,942)
Pharmacy Receipts	-	-		-
Flu Shot Receipts	28,174	28,174	28,475	301
Miscellaneous	84,474	84,474	80,959	(3,515)
Public Support	32,400	32,400	43,730	11,330
Rental Income	38,400	38,400	35,200	(3,200)
Interest Income	1,500	1,500	459	(1,041)
<b>Total Revenues</b>	<u>217,410</u>	<u>242,410</u>	<u>241,343</u>	<u>(1,067)</u>
<b>EXPENDITURES</b>				
Current:				
Salaries	10,144	10,144	11,275	(1,131)
Fringe	1,302	1,302	1,699	(397)
Travel	2,441	2,441	1,836	605
Operating Services	51,305	51,305	117,614	(66,309)
Operating Supplies	2,221	2,221	17,015	(14,794)
Other Costs	21,965	21,965	11,458	10,507
PCOA Discretionary Expenditures	25,000	25,000	25,000	-
Debt Service:				
Principle	903	903	903	-
Interest	1,209	1,209	1,209	-
<b>Total Expenditures</b>	<u>116,490</u>	<u>116,490</u>	<u>188,009</u>	<u>(71,519)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>100,920</u>	<u>125,920</u>	<u>53,334</u>	<u>(72,586)</u>
<b>OTHER FINANCING SOURCES(USES)</b>				
Transfers In	264,370	264,370	214,765	(49,605)
Transfers Out	(286,089)	(286,089)	(270,584)	15,505
<b>Total Other Financing Sources and Uses</b>	<u>(21,719)</u>	<u>(21,719)</u>	<u>(55,819)</u>	<u>(34,100)</u>
<b>Net Increase (Decrease) in Fund Balances</b>	79,201	104,201	(2,485)	(106,686)
<b>FUND BALANCES</b>				
Beginning of Year	85,478	85,478	85,478	-
End of Year	<u>\$ 184,679</u>	<u>\$ 189,679</u>	<u>\$ 82,993</u>	<u>\$ (106,686)</u>

The accompanying notes are an integral part of this statement.

**AVOYELLES COUNCIL ON AGING, INC.**  
**MARKSVILLE, LA**

**Budgetary Comparison Schedule-Title III B Fund**  
**For The Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>GAAP</u> <u>Basis</u>	<u>with Final</u> <u>Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental				
Governor's Office of Elderly Affairs				
Passed through Cenla Area Agency on Aging	\$ 67,469	\$ 67,469	\$ 67,474	\$ 5
LA Dept of Transportation	-	-	-	-
Public Support	-	6,000	-	(6,000)
<b>Total Revenues</b>	<u>67,469</u>	<u>73,469</u>	<u>67,474</u>	<u>(5,995)</u>
<b>EXPENDITURES</b>				
Current:				
Salaries	171,543	171,521	142,795	28,726
Fringe	22,048	22,046	25,173	(3,127)
Travel	7,460	7,456	10,825	(3,369)
Operating Services	56,071	56,070	51,209	4,861
Operating Supplies	28,937	28,938	28,369	569
Other Cost	2,341	2,341	2,562	(221)
<b>Total Expenditures</b>	<u>288,400</u>	<u>288,372</u>	<u>260,933</u>	<u>27,439</u>
<b>Excess (Deficiency) of Revenues</b>				
Over Expenditures	<u>(220,931)</u>	<u>(214,903)</u>	<u>(193,459)</u>	<u>21,444</u>
<b>OTHER FINANCING SOURCES(USES)</b>				
Transfers In	220,931	214,903	193,459	(21,444)
<b>Total Other Financing Sources and Uses</b>	<u>220,931</u>	<u>214,903</u>	<u>193,459</u>	<u>(21,444)</u>
<i>Net Increase (Decrease) in Fund Balances</i>	-	-	-	-
<b>FUND BALANCES</b>				
Beginning of Year	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**AVOYELLES COUNCIL ON AGING, INC.**  
**MARKSVILLE, LA**

**Budgetary Comparison Schedule-Title III C-1 Fund**  
**For The Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Favorable</u> <u>(Unfavorable)</u>
<b>REVENUES</b>				
Public Support	\$ 55,860	\$ 55,860	\$ 56,728	\$ 868
Miscellaneous	-	-	82	82
<b>Total Revenues</b>	<u>55,860</u>	<u>55,860</u>	<u>56,810</u>	<u>950</u>
<b>EXPENDITURES</b>				
Current:				
Salaries	52,417	52,417	52,637	(220)
Fringe	6,739	6,739	7,935	(1,196)
Travel	1,007	1,007	745	262
Operating Services	7,429	7,429	7,495	(66)
Operating Supplies	3,276	3,276	5,142	(1,866)
Other Cost	442	442	217	225
<b>Total Expenditures</b>	<u>71,310</u>	<u>71,310</u>	<u>74,171</u>	<u>(2,861)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(15,450)</u>	<u>(15,450)</u>	<u>(17,361)</u>	<u>(1,911)</u>
<b>OTHER FINANCING SOURCES(USES)</b>				
Transfers In	15,450	15,450	17,361	1,911
Transfers Out	-	-	-	-
<b>Total Other Financing Sources and Uses</b>	<u>15,450</u>	<u>15,450</u>	<u>17,361</u>	<u>1,911</u>
<b>Net Increase (Decrease) in Fund Balances</b>	-	-	-	-
<b>FUND BALANCES</b>				
Beginning of Year	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**AVOYELLES COUNCIL ON AGING, INC.  
MARKSVILLE, LA**

**Budgetary Comparison Schedule-Title III C-2 Fund  
For The Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental:				
Governor's Office of Elderly Affairs				
Passed through Cenla Area Agency on Aging	\$ 42,985	\$ 65,484	\$ 74,589	\$ 9,105
Public Support	42,140	58,140	68,292	10,152
<b>Total Revenues</b>	<u>85,125</u>	<u>123,624</u>	<u>142,881</u>	<u>19,257</u>
<b>EXPENDITURES</b>				
Current:				
Salaries	75,394	75,394	85,374	(9,980)
Fringe	9,692	9,692	12,870	(3,178)
Travel	1,726	1,259	837	422
Operating Services	25,864	48,360	42,314	6,046
Operating Supplies	57	527	5,699	(5,172)
Other Cost	844	844	937	(93)
<b>Total Expenditures</b>	<u>113,577</u>	<u>136,076</u>	<u>148,031</u>	<u>(11,955)</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>(28,452)</u>	<u>(12,452)</u>	<u>(5,150)</u>	<u>7,302</u>
<b>OTHER FINANCING SOURCES(USES)</b>				
Transfers In	28,452	12,452	5,150	(7,302)
Transfers Out	-	-	-	-
<b>Total Other Financing Sources and Uses</b>	<u>28,452</u>	<u>12,452</u>	<u>5,150</u>	<u>(7,302)</u>
Net Increase (Decrease) in Fund Balances	-	-	-	-
<b>FUND BALANCES</b>				
Beginning of Year	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**AVOYELLES COUNCIL ON AGING, INC.**  
**MARKSVILLE, LA**

**Budgetary Comparison Schedule-STEP**  
**For The Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with Final</u> <u>Budget</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Favorable</u> <u>(Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental:				
La. Department of Social Services	\$ 74,390	\$ 74,390	\$ 76,550	\$ 2,160
La. Department of Transportation	-	-	-	-
<b>Total Revenues</b>	<u>74,390</u>	<u>74,390</u>	<u>76,550</u>	<u>2,160</u>
<b>EXPENDITURES</b>				
Current:				
Salaries	51,243	51,243	51,441	(198)
Fringe	6,585	6,585	7,755	(1,170)
Travel	1,036	1,036	398	638
Operating Services	37,558	37,558	32,831	4,727
Operating Supplies	23,871	23,871	20,451	3,420
Other Costs	1,310	1,310	627	683
<b>Total Expenditures</b>	<u>121,603</u>	<u>121,603</u>	<u>113,503</u>	<u>8,100</u>
<b>Excess (Deficiency) of Revenues</b>				
Over Expenditures	<u>(47,213)</u>	<u>(47,213)</u>	<u>(36,953)</u>	<u>10,260</u>
<b>OTHER FINANCING SOURCES(USES)</b>				
Transfers In	47,213	47,213	36,953	(10,260)
Transfers Out	-	-	-	-
<b>Total Other Financing Sources and Uses</b>	<u>47,213</u>	<u>47,213</u>	<u>36,953</u>	<u>(10,260)</u>
<b>Net Increase (Decrease) in Fund Balances</b>	-	-	-	-
<b>FUND BALANCES</b>				
Beginning of Year	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**AVOYELLES COUNCIL ON AGING, INC.  
MARKSVILLE, LA**

**Budgetary Comparison Schedule-Title 19  
For The Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental:				
La. Department of Health & Hospitals	\$ 85,212	\$ 85,212	\$ 79,260	\$ (5,952)
La. Department of Transportation	-	-	-	-
Public Support	10,000	10,000	11,268	1,268
<b>Total Revenues</b>	<u>95,212</u>	<u>95,212</u>	<u>90,528</u>	<u>(4,684)</u>
<b>EXPENDITURES</b>				
Current:				
Salaries	78,542	78,542	77,626	916
Fringe	10,095	10,095	11,702	(1,607)
Travel	1,343	1,343	516	827
Operating Services	40,307	40,307	35,135	5,172
Operating Supplies	25,886	25,886	22,728	3,158
Other Costs	1,533	1,533	1,235	298
<b>Total Expenditures</b>	<u>157,706</u>	<u>157,706</u>	<u>148,942</u>	<u>8,764</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(62,494)</u>	<u>(62,494)</u>	<u>(58,414)</u>	<u>4,080</u>
<b>OTHER FINANCING SOURCES(USES)</b>				
Transfers In	62,494	62,494	58,414	(4,080)
Transfers Out	-	-	-	-
<b>Total Other Financing Sources and Uses</b>	<u>62,494</u>	<u>62,494</u>	<u>58,414</u>	<u>(4,080)</u>
<b>Net Increase (Decrease) in Fund Balances</b>	-	-	-	-
<b>FUND BALANCES</b>				
Beginning of Year	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA**

**AVOYELLES COUNCIL ON AGING, INC.**  
 Marksville, Louisiana

**SCHEDULE OF NON-MAJOR SPECIAL REVENUE FUNDS**  
 For the Year Ended June 30, 2007

	Title III E	Title III D	Senior Center	Utility Assist	Supp Senior Center	FEMA	JARC	LASAS	Tobacco Free Living	Total
<b>REVENUES</b>										
Intergovernmental:										
Governor's Office of										
Elderly Affairs	\$ -	\$ 4,364	\$ 42,965	\$ -	\$ 3,100	\$ -	\$ -	\$ -	\$ -	\$ 50,429
Passed Through Cenla										
Area Agency on Aging	30,709	-	-	-	-	-	-	-	-	30,709
FEMA	-	-	-	-	9,911	-	-	-	-	9,911
La. Dept of Social Services	-	-	-	-	-	74,658	-	-	-	74,658
La. Dept of Health & Hospitals	-	-	-	-	-	-	-	-	-	-
La. Dept of Transportation	-	-	-	-	-	-	-	-	-	-
Medicare Funds	-	-	-	-	-	-	-	-	-	-
Public Support:										
Energy Receipts	-	-	-	7,632	-	-	-	-	-	7,632
Other	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>30,709</b>	<b>4,364</b>	<b>42,965</b>	<b>7,632</b>	<b>3,100</b>	<b>9,911</b>	<b>74,658</b>	<b>-</b>	<b>-</b>	<b>173,339</b>
<b>EXPENDITURES</b>										
Current:										
Salaries	30,927	692	-	-	-	-	35,738	-	-	67,357
Fringe	4,662	104	-	-	-	-	5,387	-	-	10,153
Travel	4,897	33	-	-	-	-	165	-	-	5,095
Operating Services	2,835	730	-	-	-	102	17,220	-	-	20,887
Operating Supplies	468	29	-	-	-	-	12,104	-	-	12,601
Other Cost	85	26	-	-	-	-	372	-	-	483
Utility Assistance	-	-	-	6,784	-	7,053	-	-	-	13,837
<b>Total Expenditures</b>	<b>43,874</b>	<b>1,614</b>	<b>-</b>	<b>6,784</b>	<b>-</b>	<b>7,155</b>	<b>70,986</b>	<b>-</b>	<b>-</b>	<b>130,413</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(13,165)</b>	<b>2,750</b>	<b>42,965</b>	<b>848</b>	<b>3,100</b>	<b>2,756</b>	<b>3,672</b>	<b>-</b>	<b>-</b>	<b>42,926</b>

<b>OTHER FINANCING SOURCES(USES)</b>										
Transfers In	13,165	-	-	-	-	-	-	-	-	13,165
Transfers Out	(2,750)	(42,965)	(3,100)	(5,103)	(3,671)	-	-	-	-	(57,589)
Total Other Financing Sources and Uses	13,165	(42,965)	(3,100)	(5,103)	(3,671)	-	-	-	-	(44,424)
Net Increase (Decrease) in Fund Balances	-	-	848	(2,347)	1	-	-	-	-	(1,498)
<b>FUND BALANCES</b>										
Beginning of Year	-	-	1,155	5,799	5,687	3,989	3,300	-	-	19,930
End of Year	\$ -	\$ -	\$ 2,003	\$ 3,452	\$ 5,688	\$ 3,989	\$ 3,300	\$ -	\$ -	\$ 18,432

The accompanying notes are an integral part of this statement.

**AVOYELLES COUNCIL ON AGING, INC.**  
**MARKSVILLE, LA**

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

For the Year Ended June 30, 2007

	Balance June 30, 2006	<u>Additions</u>	<u>Deletions</u>	Balance June 30, 2007
<b>GENERAL FIXED ASSETS, AT COST</b>				
Land	\$ 45,500			\$ 45,500
Buildings	742,673			742,673
Vehicles	411,322			411,322
Furniture and Equipment	50,101		(1,736)	48,365
<b>Total General Fixed Assets</b>	<u>\$ 1,249,596</u>	<u>\$ -</u>	<u>\$ (1,736)</u>	<u>\$ 1,247,860</u>
 <b>INVESTMENT IN GENERAL FIXED ASSETS</b>				
Section 5311	\$ 236,598			\$ 236,598
Title 111-B	9,504			9,504
Title 111-C-1	24,835			24,835
Title 111-C-2	384			384
STEP	8,809			8,809
Title 19	8,938			8,938
Senior Center	2,590			2,590
General/ Local	957,938		(1,736)	956,202
<b>Total Investment In General Fixed Assets</b>	<u>\$ 1,249,596</u>	<u>\$ -</u>	<u>\$ (1,736)</u>	<u>\$ 1,247,860</u>

The accompanying notes are an integral part of this statement.

**OTHER REPORT REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

# Paul Dauzat, CPA

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 12359  
Alexandria, LA 71315

MEMBER  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## 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*

Board of Directors  
Avoyelles Council on Aging, Inc.  
Marksville, Louisiana

I have audited the financial statements of the Avoyelles Council on Aging, Inc. as of June 30, 2007, and have issued my report thereon dated November 16, 2007. I conducted my audit in accordance with United States generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Avoyelles Council on Aging, Inc.'s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Avoyelles Council on Aging, Inc.'s financial statements that is more than inconsequential will not be prevented or detected by the Avoyelles Council on Aging, Inc.'s internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Avoyelles Council on Aging, Inc.'s internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Avoyelles Council on Aging, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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 my audit, and accordingly, I do not express such an opinion. The results of my 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, and Federal and State agencies and is not intended to be and should not be used by anyone other than these specified parties.



Paul Dauzat  
Certified Public Accountant

November 16, 2007

**AVOYELLES COUNCIL ON AGING, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For The Year Ended June 30, 2007

We have audited the financial statements of Avoyelles Council on Aging, Inc. as of and for the year ended June 30, 2007, and have issued our report thereon dated November 16, 2006. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2007 resulted in an unqualified opinion.

**Section 1-Summary of Auditor's Reports**

Report on Internal Control and Compliance Material to the Financial Statements

**Internal Control:**

Material Weaknesses  Yes  No      Reportable Conditions  Yes  No

**Compliance:**

Non Compliance Material to Financial Statements  Yes  No

**Section 11-Financial Statement Findings or Questioned Costs.**

There were no financial statement findings or questioned costs.

**AVOUELLES COUNCIL ON AGING, INC.**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
*For The Year Ended June 30, 2007*

**Section 1-Internal Control and Compliance Material to the Financial Statements**

There were no internal control or compliance findings for the year ended June 30, 2006.