

**JEFFERSON DAVIS
COUNCIL ON AGING, INC.**
Jennings, Louisiana

Financial Report

Year Ended June 30, 2011

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.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of Jefferson Davis Council on Aging's (the Council) financial performance provides an overview and analysis of the Council's financial activities for the year ended June 30, 2011. This document focuses on the current year's activities, resulting changes, and currently known facts. This document should be read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Council showed an increase in overall net assets of \$29,015, or about 31% this year.
- Net Capital Assets of the Council increased by \$86,007.
- The Council received \$120,122 from the Department of Transportation and Development to purchase three vans for services provided.
- Fund revenues increased \$71,512 or 10%.
- Fund expenditures increased \$123,151 or 17%.
- The Council's General Fund had a negative fund balance of \$9,113 at year-end, which is a \$53,521 decrease from prior year.
- Administrative expenses increased \$16,506, which is a 19% increase from last year.

HOW TO USE THIS ANNUAL REPORT

The Council's annual financial report consists of five main parts:

1. Management's discussion and analysis (this section)
2. The basic financial statements (government-wide and fund)
3. Supplementary information required by GASB 34
4. Supplementary information required by GOEA
5. Auditor reports.

Government-wide financial statements are comprised of the Statement of Net Assets and the Statement of Activities (on pages 11 through 13). These financial statements provide information about the activities of the Council as a whole and present a longer-term view of the Council's finances. In contrast, fund financial statements, which consist of the Fund Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances (on pages 15 through 16), tell how services were financed in the short-term, as well as what remains for future spending for governmental funds. 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.

The 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 GOEA that follow later in this 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

BASIC FINANCIAL STATEMENTS

The basic financial statements consist of the government-wide financial statements and fund financial statements, which present different views about the Council, along with notes to the financial statements.

Government-Wide Financial Statements

Management's analysis of the Council as a whole begins on page 4. When reading these financial statements, an important point to consider is whether the Council's finances as a whole, are better or worse off as a result of this 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 when considering this point. 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. Also, under the accrual basis, all current year revenues and expenses are taken into account regardless of when cash is received or paid.

The Government-Wide statements report the Council's net assets and changes in them. The Council has restricted net assets of \$6,330 which must be used for specific purposes, whereas the Council has a deficit of net assets that are unrestricted. 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, the reader must consider other nonfinancial 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. In this statement all changes in net assets are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will affect cash flows in future periods. All of the Council's significant activities are reported in the Statement of Activities, including an Administration function and a Health, Welfare, and Social Services function. The Health, Welfare, and Social Services function is comprised of various programs that include various supportive services, nutritional services, utility assistance, disease prevention and health promotion, family caregiver support, and senior citizen center operations. Subprograms activities are also presented, in some cases, to help the reader analyze the Council's operations in more detail. All activities of the Council are considered to be governmental activities. A governmental activity is one where the Council uses money it receives from government grants and contracts, along with donations from the general public, to provide services at no charge to 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 with the intent 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. However, the Council does charge a fee for persons under 60 years old to ride the Council's vans. We do not view the fees we charge for these activities as a business-type activity because we do not intend to make a profit or recover the full cost of providing the service.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the Council as a whole entity. In the fund financial statements, there are column presentations for a General Fund, Special Revenue Funds that have been determined to be "Major Funds," and a column for the total

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

of all remaining Special Revenue Funds, which are deemed to be "Nonmajor Funds." 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 is believed to be important for the Council's financial statement users. The General Fund is used to account for all financial resources except those that are required to be accounted for in another fund. The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted or committed to expenditure for specified purposes other than debt service or capital projects. By using separate funds to track revenues and expenditures, management can control funds for particular purposes or 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 basis of 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 the reader determine whether there are more or fewer financial resources that can be spent in the near future for Council's programs. The difference between the net assets of governmental activities and the fund balances of the governmental funds is reconciled at the bottom of the Balance Sheet for Governmental Funds. In addition, the difference between the change in fund balance for the governmental funds and the change in net assets for the governmental activities has been reconciled on a separate page that follows the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds. These two reconciliations will facilitate the comparison between governmental activities and 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 beginning page 18 of this report. The notes to the financial statements follow the fund financial statements and should be read 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. Positive and negative variances between the final budget and actual amounts are also presented (see pages 38 through 40).

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

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present as schedules the information. This information will be used by GOEA to verify the accuracy of information the Council submitted by the Council during the year to help GOEA monitor certain compliance requirements set forth in the grants that it has with the Council (see pages 42 through 44).

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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

The following table reflects condensed information on the Council's assets, liabilities, and net assets for fiscal years 2011 and 2010:

Condensed Statement Net Assets

	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>
Current and other assets	\$ 57,576	\$ 81,613	\$ (24,037)
Capital assets, net of depreciation	<u>152,280</u>	<u>66,273</u>	<u>86,007</u>
Total assets	<u>209,856</u>	<u>147,886</u>	<u>61,970</u>
Other current liabilities	<u>88,433</u>	<u>55,478</u>	<u>32,955</u>
Total liabilities	<u>88,433</u>	<u>55,478</u>	<u>32,955</u>
Invested in capital assets, net of related debt	152,280	66,273	86,007
Restricted	6,330	5,611	719
Unrestricted	<u>(37,187)</u>	<u>20,524</u>	<u>(57,711)</u>
Total Net Assets	<u>\$ 121,423</u>	<u>\$ 92,408</u>	<u>\$ 29,015</u>

As of June 30, 2011, the Council "as a whole" had assets greater than its liabilities by \$121,423 whereas at June 30, 2010 net assets were \$92,408. This is an increase of \$29,015 or about 31% in net assets.

The Council had a deficit unrestricted net assets of \$37,187 at June 30, 2011 compared to a positive balance of \$20,524 at June 30, 2010. Unrestricted net assets are important because they provide the discretionary resources management will need so that it can quickly adapt to changes in the economy, emergencies, unexpected needs, and reductions in or termination of grant revenues by government agencies.

The Council restricted net assets represent 5% and 6% of the Council's total net assets as of June 30, 2011 and 2010, respectively. 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. Currently, the Council has no fixed assets that have associated debt outstanding as of June 30, 2011.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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

Condensed Statement of Activities

	<u>2011</u>	<u>% of Total</u>	<u>2010</u>	<u>% of Total</u>
Revenues				
Program Revenues:				
Charges for services	\$ 58,752	7.42%	\$ 62,576	8.68%
Operating grants and contributions	501,553	63.38%	520,620	72.24%
Capital grants and contributions	120,122	15.18%	-	0.00%
General Revenues:				
Unrestricted grants and contributions	86,834	10.97%	121,281	16.83%
Other general revenues	<u>24,101</u>	<u>3.05%</u>	<u>16,198</u>	<u>2.25%</u>
Total Revenues	<u>791,362</u>	<u>100.00%</u>	<u>720,675</u>	<u>100.00%</u>
Program Expenses of the Health, Welfare, and Social Services Function				
Supportive Services	195,115	25.59%	198,996	26.59%
Nutrition Services	166,712	21.87%	155,602	20.79%
Disease prevention and health promotion	24,157	3.17%	17,841	2.38%
National family caregiver support	25,452	3.34%	18,179	2.43%
Project care	7,845	1.03%	18,852	2.52%
Emergency food and shelter	10,154	1.33%	15,389	2.06%
Transportation	229,847	30.15%	236,874	31.66%
Administrative expenses	<u>103,065</u>	<u>13.52%</u>	<u>86,559</u>	<u>11.57%</u>
Total expenses	<u>762,347</u>	<u>100.00%</u>	<u>748,292</u>	<u>100.00%</u>
Increase (decrease) in net assets	29,015		(27,617)	
Net assets, beginning of the year	<u>92,408</u>		<u>120,025</u>	
Net assets, end of the year	<u>\$ 121,423</u>		<u>\$ 92,408</u>	

As illustrated by the table above, the Council gets most of its revenues from operating grants and contributions that are specifically related to a program and must be used in the programs to which they relate. Unrestricted grants and contributions make up the second largest percentages of revenues and this revenue is available to management to use at its discretion. Charges for services arise from fees the Council has charged for providing a particular service and this revenue is used to pay for the expenses of the programs for which the fees were charged.

The expenses in the table have been presented by primary programs. In presenting this information, only direct program expenses are shown. The administrative expenses include all administrative expenses of the Council before any allocations were made to the various programs. Percentages have been presented for the expenses associated with each program for ease of analysis and to illustrate where the Council has spent its money this year and last year. The expense allocations are a good indication of the demand for each type of service.

The Council had a \$29,015 increase in its net assets for FY 2011, whereas the decrease in net assets for FY 2010 was \$27,617. There is a reconciliation that follows the Statement of Revenues, Expenditures, and Changes in Fund Balances that presents an analysis of why there are differences between that particular fund financial statement and the government-wide Statement of Activities for FY 2011.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

AN ANALYSIS OF GOVERNMENTAL ACTIVITIES

Most of the Council's activities are funded by federal, state, and local grants. These grants amount to approximately 90% and 89% of the revenues of the Council in 2011 and 2010, respectively. 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 provided by the Council under the 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 7% and 9% of the total revenues for 2011 and 2010, respectively.

When reviewing the Government-Wide Statement of Activities, there are relationships that are important to the understanding of the Council's operations. The Council's main focus is to meet the needs of the elderly citizens of Jefferson Davis Parish. There is a high demand for these services; therefore, resources are channeled to meeting the demand.

You will also note that most of the governmental activities have more expenses than revenues. We expect this situation to occur and have prepared the Council's budgets for these activities with this in mind. Traditionally, general revenues are used to cover the excess of expenses over revenues in these activities.

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

Fund Balances

The Council showed a negative combined governmental fund balance of \$2,783 (as shown on the Fund Financial Statement's balance sheet on page 15) at the end of this year, which is a decrease of \$61,742 from last year.

Also note this year, the Council has implemented the provisions of Governmental Accounting Standards Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement will cause the components of the Fund Balance to be presented differently when compared to prior years.

Revenues

The combined fund revenues increased \$71,512 this year, or 10% from the previous year. The increase is attributable to a capital grant from DOTD for the purchase of vans.

Expenditures

Total expenditures, excluding debt service payments, increased \$118,506 this year, or 16%. The increase results from the purchase of three vans through a grant provided by DOTD.

AN ANALYSIS OF THE GENERAL AND MAJOR SPECIAL REVENUE FUND BUDGETS

You can find schedules of the original and amended budgets for the general and major special revenue funds in the Supplementary Financial Information Required by GASB Statement 34 section of this report beginning on page 42.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

AN ANALYSIS OF CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of the year, the Council had \$152,280 in fixed assets net of accumulated depreciation. This amounted to a net increase of \$86,007 from last year.

We have already discussed the nature and effects of the compensated absence liability.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Council receives most of its funding from federal and state agencies. 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 its budget for fiscal year 2012, it was important that we deliver at least the same level of service to our clients and the public as we did in 2011.

All of the Council's grants and contracts from the usual federal and state agencies have been approved for FY 2012. There have been no other significant changes to the funding levels or terms of the grants and contracts. Accordingly, we have set our initial budget to provide those programs and levels of service next year. GOEA has also approved the Council's budget for next year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Council's finances for those with an interest 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
Jefferson Davis Council on Aging, Inc.
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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Jefferson Davis Council on Aging, Inc.
Jennings, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson Davis Council on Aging, Inc., as of and for the year ended June 30, 2011, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion 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 opinion.

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 Jefferson Davis Council on Aging, Inc., as of June 30, 2011, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, the Jefferson Davis Council on Aging, Inc. has adopted the provisions of Governmental Accounting Standards Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011.

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In accordance with *Government Auditing Standards*, we also issued a report dated November 9, 2011, on our consideration of the Jefferson Davis 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 agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 7 and 38 through 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jefferson Davis Council on Aging, Inc.'s financial statements as a whole. The schedule of nonmajor funds and comparative schedule of general fixed assets on pages 42 through 44 are presented for purposes of additional analysis and is not a required part of the financial statements of the Jefferson Davis Council on Aging, Inc. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Dannall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
November 9, 2011

GOVERNMENT WIDE FINANCIAL STATEMENTS

JEFFERSON DAVIS COUNCIL ON AGING, INC.

Government Wide Statement of Net Assets
June 30, 2011

	<u>Governmental Activities</u>
Assets	
Cash	\$ 21,526
Grants and contracts receivable	36,050
Capital assets, net of accumulated depreciation	<u>152,280</u>
Total Assets	<u>209,856</u>
Liabilities	
Accounts payable	44,788
Accrued payroll and related benefits payable	15,571
Note payable	<u>28,074</u>
Total Liabilities	<u>88,433</u>
Net Assets	
Invested in Capital Assets, net of debt	152,280
Restricted for:	
NSIP	2,752
Project Care	3,578
Unrestricted	<u>(37,187)</u>
Total Net Assets	<u>\$ 121,423</u>

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS COUNCIL ON AGING, INC.

Government Wide Statement of Activities
Year Ended June 30, 2011

<u>Function/Programs</u>	<u>Direct Expenses</u>	<u>Indirect Expenses</u>
Governmental Activities		
Health, Welfare & Social Services:		
Supportive Services:		
Homemaker	\$ 41,493	\$ 10,547
Information and assistance	18,630	4,736
Outreach	4,110	1,045
Transportation	66,080	16,797
Recreation	16,305	4,145
Other	6,248	4,979
Nutrition Services:		
Congregate meals	47,790	12,148
Home delivered meals	85,134	21,640
Disease Prevention and Health Promotion:		
Medication management	1,926	490
Wellness	17,335	4,406
National Family Caregiver Support:		
Respite care	16,619	1,728
Public education	3,708	943
Information and assistance	1,854	471
Material Aid	-	129
Senior Activities	-	-
DOTD Transportation	183,263	46,584
Project Care	7,845	-
Emergency Food & Shelter	10,154	-
Administration	<u>233,853</u>	<u>(130,788)</u>
Total governmental activities	<u>\$ 762,347</u>	<u>\$ -</u>

Charges for Services	Program Revenues		Total Governmental Activities	Net (Expense)
	Operating Grants and Contributions	Capital Grants and Contributions		Revenue and Increases (Decreases) in Net Assets
\$ -	\$ 14,073	\$ -	\$ (37,967)	
-	6,319	-	(17,047)	
-	1,394	-	(3,761)	
198	22,413	-	(60,266)	
-	5,530	-	(5,697)	
-	3,037	-	3,037	
3,258	42,333	-	(14,347)	
3,836	81,084	-	(21,854)	
565	382	-	(1,469)	
-	3,435	-	(18,306)	
-	15,385	-	(2,962)	
-	3,900	-	(751)	
-	1,950	-	(375)	
-	108	-	(21)	
-	40,756	-	40,756	
50,895	139,524	120,122	80,694	
-	10,812	-	2,967	
-	6,053	-	(4,101)	
-	103,065	-	-	
<u>\$ 58,752</u>	<u>\$ 501,553</u>	<u>\$ 120,122</u>	<u>(81,920)</u>	

General Revenues:

Grants and contributions not restricted to specific programs	86,834
Gain on sale of fixed assets	1,500
Unrestricted investment income	3
Miscellaneous	22,598
Total general revenues and special items	<u>110,935</u>
Increase in net assets	29,015
Net assets - beginning of the year	92,408
Net assets - end of the year	<u>\$ 121,423</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

JEFFERSON DAVIS COUNCIL ON AGING, INC.

Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Title III B	Title III C-2	Non-Major Funds	Total
Assets					
Cash	\$ 20,103	\$ -	\$ -	\$ 1,423	\$ 21,526
Grants and contracts receivable	36,050	-	-	-	36,050
Due from other funds	-	-	-	4,907	4,907
Total Assets	\$ 56,153	\$ -	\$ -	\$ 6,330	\$ 62,483
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	44,788	-	-	-	44,788
Accrued payroll and related benefits payable	15,571	-	-	-	15,571
Due to other funds	4,907	-	-	-	4,907
Total Liabilities	65,266	-	-	-	65,266
Fund Balances:					
Restricted for:					
Project care	-	-	-	3,578	3,578
NSIP	-	-	-	2,752	2,752
Committed to:					
Unassigned	(9,113)	-	-	-	(9,113)
Total Fund Balances	(9,113)	-	-	6,330	(2,783)
Total Liabilities and Fund Balances	\$ 56,153	\$ -	\$ -	\$ 6,330	

Amounts reported for governmental activities in the statement of net assets are different because:

- Notes payable are not due and payable in the current period and therefore are not reported in the funds	(28,074)
- Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	152,280
	<u>\$ 121,423</u>

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS COUNCIL ON AGING, INC.

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2011

	General Fund	Title III B	Title III C-2	Non-Major Funds	Total Governmental Funds
REVENUES					
Intergovernmental:					
Governor's Office of Elderly Affairs	\$ 101,601	\$ 52,766	\$ 81,084	\$ 81,672	\$ 317,123
Department of Health and Hospitals	54,718	-	-	-	54,718
Department of Transportation and Development	259,646	-	-	-	259,646
Department of Homeland Security	-	-	-	6,053	6,053
Department of Social Services	276	-	-	-	276
Program Service Fees:					
Transportation	50,895	198	-	-	51,093
Congregate meals	-	-	-	3,258	3,258
Home delivered meals	-	-	3,836	-	3,836
Preventive health	-	-	-	565	565
Investment Income	3	-	-	-	3
Local and miscellaneous:					
United Way	44,290	-	-	-	44,290
Donations	14,764	-	-	10,812	25,576
Fundraiser	827	-	-	-	827
Miscellaneous	22,598	-	-	-	22,598
Total Revenues	549,618	52,964	84,920	102,360	789,862
EXPENDITURES					
Health, Welfare, & Social Services					
Current:					
Personnel	146,784	123,701	39,579	55,519	365,583
Fringe	29,739	25,063	8,019	11,249	74,070
Travel	2,862	9,798	10,171	856	23,687
Operating Services	47,032	19,652	5,664	23,315	95,663
Operating Supplies	67,630	12,184	43,051	32,701	155,566
Other Costs	2,105	4,717	290	3,906	11,018
Capital Outlay	120,122	-	-	-	120,122
Debt Service					
Principal	4,750	-	-	-	4,750
Interest	2,645	-	-	-	2,645
Total Expenditures	423,669	195,115	106,774	127,546	853,104
Excess (deficiency) of revenues over expenditures	<u>125,949</u>	<u>(142,151)</u>	<u>(21,854)</u>	<u>(25,186)</u>	<u>(63,242)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of fixed assets	1,500	-	-	-	1,500
Transfers in	-	142,151	21,854	42,332	206,337
Transfers out	<u>(192,158)</u>	-	-	<u>(14,179)</u>	<u>(206,337)</u>
Total other financing sources and uses	(190,658)	142,151	21,854	28,153	1,500
Net increase (decrease) in fund balances	(64,709)	-	-	2,967	(61,742)
FUND BALANCES					
Beginning of the year	<u>55,596</u>	<u>-</u>	<u>-</u>	<u>3,363</u>	<u>58,959</u>
End of the year	<u>\$ (9,113)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,330</u>	<u>\$ (2,783)</u>

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS COUNCIL ON AGING, INC.

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2011

Net decrease in fund balances - total governmental funds	\$ (61,742)
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 (\$120,122) exceeded depreciation (\$34,115) in the period	86,007
Proceeds from sale of fixed assets	(1,500)
Gain on sale of fixed assets	1,500
Governmental funds report principal payments on debt as expenditures. However, in the statement of activities these payments are recorded as a reduction in the note payable and not an expense	<u>4,750</u>
Increase in net assets of governmental activities	<u>\$ 29,015</u>

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Jefferson Davis Council on Aging, Inc. (the Council) conform to the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental and financial reporting principles. 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 following is a summary of certain significant accounting policies used by the Council:

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 Jefferson Davis 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; to provide for a mutual exchange of ideas and information on 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; to coordinate and monitor services of other local agencies serving the aging people of the parish; to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA) and other departments of state and local government 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 Jefferson Davis Parish include providing congregate and home delivered meals, nutritional education, information and assistance, outreach, material aid, home repairs, utility assistance, homemakers, recreation, legal assistance, disease prevention, health promotion, 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. In 1979, the Louisiana Legislature created the Governor's Office of Elderly Affairs (GOEA) (La. R.S. 46:931) with the specific intention that GOEA administer and coordinate social services and programs for the elderly population of Louisiana through sixty-four parish voluntary councils on aging.

Before a council on aging can begin operations in a specific parish, its application for a charter must receive approval from GOEA pursuant to Louisiana Revised Statute (La. R.S.) 46:1602. Each council on aging in Louisiana must comply with the state laws that apply to quasi-public agencies, as well as the policies and regulations established by GOEA.

JEFFERSON DAVIS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Jefferson Davis Council on Aging, Inc. is a legally separate, non-profit, quasi-public corporation. The Council incorporated under the provisions of Title 12, Chapter 2 of the Louisiana Revised Statutes on December 24, 1969, and subsequently received its charter from the Governor of the State of Louisiana.

A board of directors, consisting of 13 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 in the following manner:

- All members from throughout Jefferson Davis Parish shall be elected by the general membership at the Council's annual meeting.

Membership in the Council is open at all times, without restriction, to all residents of Jefferson Davis 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 Financial Reporting Entity*, the Council 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 this statement, the Council has presented its financial statements as a special-purpose, stand-alone government; accordingly, it is applying the provisions of Statement 14 as if it were a primary government.

C. Presentation of Statements

The Council's basic financial statements consist of "government-wide" financial statements on all activities of the Council, which are designed to report the Council as a whole entity, and "fund" financial statements, which purpose are to report individual major governmental funds and combined nonmajor governmental 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 all been categorized 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.

D. Basic Financial Statements - Government-Wide Statements

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all activities of the Council. As a general rule, the effect of interfund activity has been eliminated from these statements. The government-wide presentation focuses primarily on the sustainability of the Council as an entity and the change in its net assets (financial position) resulting from the activities of the current fiscal year. Intergovernmental revenues primarily support governmental activities.

JEFFERSON DAVIS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the government-wide Statement of Net Assets only one column of numbers has been presented for total governmental activities. The numbers are presented on a consolidated basis and represent only governmental type activities.

The Statement of Net Assets has been prepared on a full accrual, economic resource 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.

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 public support, 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 amortization, and then reduces the expenses by related program revenues, such as charges for services, operating and capital grants, and restricted 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.

Direct expenses reported in the Statement of Activities are those that are clearly identifiable with a specific function or program, whereas, the Council allocates its indirect expenses among various functions and programs in accordance with OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*. The Statements of Activities shows this allocation in a separate column labeled "indirect expenses."

In the Statements of Activities, charges for services represent program revenues obtained by the Council when it renders services provided by a specific function or program to people or other entities. Unrestricted contributions, unrestricted grants, interest income and miscellaneous revenues that are not included among program revenues are reported instead as general revenues in the statement. Special items, if any, are significant transactions within the control of management that are either unusual in nature or infrequent in occurrence and are separately reported below general revenues. The Council did not have any material special items this year.

E. Basic Financial Statements - Fund Financial Statements

The fund financial statements present financial information very similar to that which was included in the general-purpose financial statements issued by governmental entities before GASB Statement No. 34 required the format change.

JEFFERSON DAVIS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The daily accounts and operations of the Council continue to be organized using funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities. 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. Government 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 Council uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on 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. In addition, management may also choose to report any other governmental fund as a major fund if it believes the fund is particularly important to financial statement users. The nonmajor funds are summarized by category or fund type into a single column in the fund financial statements.

Governmental fund equity is called the fund balance. Fund balance is further classified on a hierarchy that shows, from the highest to the lowest, the level or form of constraints on fund balance and accordingly, the extent to which the Council is bound to honor them; nonspendable, restricted, committed, assigned, and unassigned.

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

The General Fund is the primary operating fund of the Council and is used to account for all financial resources except those required to be accounted for in another fund. The following is a description of the programs or funding sources that comprise the Council's General Fund:

Local Programs and Funding are revenues that are not required to be accounted for in a specific program or fund. Accordingly, these revenues have been recorded in the local program of the General Fund. These funds are mostly unrestricted, which means they may be used at management's discretion. Expenditures to acquire fixed assets, and expenditures for costs not allowed by another program due to budget limitations or the nature of the expenditures, are charged to the local program. Because of their unrestricted nature, local funds are often transferred to other programs to eliminate deficits in cases where the expenditures of the other programs exceeded their revenues. In addition, capital outlay expenditures are usually made with local funds to minimize restrictions on the used and disposition of fixed assets.

JEFFERSON DAVIS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PCOA (Act 735) funds are appropriated annually for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council's management may use these "Act 735" funds at its discretion to fund any of its programs provided the program is benefiting elderly people (those who are at least 60 years old). In fiscal year 2011, the Council received this grant money into its General Fund and management transferred \$37,500 of the PCOA funds to the Title III B Supportive Services Fund to help pay for program expenditures of that funds.

The Senior Center Fund and Supplemental Senior Center Funds are also appropriated annually for the Council and remitted to the Council via GOEA. These grant funds can be used at management's discretion to pay for costs of any program involving elderly persons who are at least 60 years old. To obtain supportive services and participate in activities which foster their independences, enhance their dignity, and encourage their involvement in and with the community, the elderly person will come to a "senior center." During the year, management transferred all of its Senior Center (\$37,656) and Supplemental Senior Center (\$3,100) grant funds to the Title III B Fund to subsidize that program's cost of providing supportive services to elderly persons who used the senior center.

Medicaid is a program where the Council completes enrollment applications for people wanting to apply for Medicaid services. Any funds remaining after applying direct costs to operate this program are available for discretionary use by management. The Council also acts as a coordinator of services for people who are homebound and in need of services similar to those provided in a nursing home, rather than have the person sent to a nursing home.

Section 5311 funds are received from the Louisiana Department of Transportation and Development (DOTD) as reimbursement by the Council for actual operating costs of providing transportation services to rural residents within Jefferson Davis Parish. Section 5311 funds are used to help pay for costs incurred in providing transportation services under the Council's various transportation programs. Accordingly, the Section 5311 funds are transferred to the Title III-B program to help supplement the transportation services provided related to this program. The Section 5311 program also provides funds for the acquisition of vehicles purchased in part with federal funds under the capital assistance program. The Louisiana Department of Transportation and Development coordinates the receipt and disbursement of these funds and the required matching funds from the Council. There were three vehicles acquired under this program during the current fiscal year.

The Audit Fund is used to account for funds received from the Governor's Office of Elderly Affairs that are used to subsidize the cost of the Council's annual audit. The audit funds (\$1,069 for FY 2011) were received and accounted for in the General Fund and used to help pay for the cost of the audit, which was included as a component of full service expenditures in the General Fund.

JEFFERSON DAVIS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The AAA Fund (Area Agency on Aging) is used to account for funds received from the Governor's Office of Elderly Affairs that are used to subsidize the costs of administering the Council's special programs for the aging. This year GOEA granted the Council \$22,276 of AAA funding, which has been received and accounted for in the Council's General Fund along with an equal amount of administrative expenditures. The amount of funding is not enough to pay for all the indirect administrative (indirect) type costs. As a result, the Council will consume the GOEA grant first when paying for administrative costs and then allocate the excess administrative costs to other programs using a formula based on the percentage each program's direct costs bears to direct costs for all programs. In addition, due to program restrictions, administrative costs may not be allocated to certain funds and programs.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term "*proceeds of specific revenue sources*" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. 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 Council.

The Council has established several special revenue funds. The following are brief descriptions of the purpose of each special revenue and their classification as either a major or nonmajor governmental fund:

Major Special Revenue Funds

The Title III B Fund accounts for funds which are used to provide various types of supportive social services to the elderly. GOEA has established the criteria for defining a qualifying unit of service for each Title III program. Specific supportive services, along with the number of units provided during the fiscal year, are as follows:

	<u>Units</u>
Information and assistance	908
Outreach	173
Homemaker	2,722
Transportation	7,648
Legal assistance	22

The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA for Special Programs for the Aging _ Title III, Part B _ Supportive Services (\$52,766).

JEFFERSON DAVIS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Title III C-2 Fund is used to account for funds that are used to provide nutritional meals to homebound people who are age 60 or older. Using Title III C-2 funds the Council served 16,633 meals during the year to people eligible to participate in this program. In addition to the meals served, the Council also provided 13 units of nutritional education to eligible participants.

There were two main sources of revenue received this year that form the basis of this fund: Grants from GOEA for Special Programs for the Aging _ Title III, Part C-2 _ Nutrition Services (\$81,084) and restricted, voluntary contributions from the public (\$3,836), including those persons actually receiving home-delivered meal services.

Non-Major Special Revenue Funds

Title III C-1 Fund receives funding from United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. During the fiscal year ended June 30, 2011, the Council served about 7,829 congregate meals and also provided 14 units of nutritional education to eligible participants.

There were two main sources of revenue received this year that form the basis of this fund: Grants from GOEA for Special Programs for the Aging _ Title III, Part C-1 _ Nutrition Services (\$42,333) and restricted, voluntary contributions from those persons who received congregate meals (\$3,258).

The Title III D Fund is used to account for funds used for disease prevention and health promotion (wellness) activities. During the fiscal year 7,567 units of wellness service were provided to eligible participants in this program. The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA for Special Programs for the Aging _ Title III, Part D _ Disease Prevention and Health Promotion Services (\$3,817).

The Title III E Fund is used to account for funds used to provide services, such as; (1) information to caregivers about available services, (2) assistance to caregivers in gaining access to the services, (3) individual counseling, (4) organizational support groups, (5) caregiver training to caregivers in making decisions and solving problems relating to their caregiving roles, (6) respite care to enable caregivers to be temporarily relieved from their caregiving responsibilities, and (7) supplemental services, on a limited basis, to complement the care provided by caregivers. During the fiscal year 30 units of information and assistance and 1,642 units of in home respite were provided under the Title III E program. The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA for the Title III, Part E _ National Family Caregivers Support Program (\$21,343).

JEFFERSON DAVIS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The EFSP Fund is used to account for the administration of the Emergency Food and Shelter National Board Program (EFSP), the purpose of which is to supplement food and shelter assistance to individuals. Funds are provided by the U.S. Department of Homeland Security's Federal Emergency Management Agency (FEMA) to the United Way of America, which in turn "passes through" the funds to the Council.

The Project Care Fund is used to account for the administration of utility assistance programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging throughout the state to provide assistance to the elderly for the payment of their utility bills. No indirect or administration expenses can be paid for with these funds.

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

The MIPPA Fund is used to account for funds relating to supporting outreach and assistance efforts directed toward Medicare beneficiaries with limited incomes who may be eligible for Medicare Part D, Low-Income Subsidiary (LIS) and Medicare Savings Programs (MSP) programs. The goal is to provide outreach to individuals in Jefferson Davis Parish, Louisiana with special emphasis on rural communities and to increase public awareness and enrollment into the benefits available under LIS and MSP.

F. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Accrual Basis – Government-Wide Financial Statements (GWFS):

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Regardless of the time of related cash flows.

Modified Accrual Basis – Fund Financial Statements (FFS):

Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. A current financial resources measurement focus means that only current assets and current liabilities are generally included on the fund balance sheet. The operating statements of the funds present increases (revenues and

JEFFERSON DAVIS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

other financing sources) and decreases (expenditures and other uses) in net current assets. 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. For this purpose, the Council considers revenues to be "available" if they are collected within 60 days of the current fiscal year end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred, if measurable, except for the following: (1) unmatured principal and interest on long-term debt, if any, are recorded when due, and (2) claims, judgments, and compensated absences are recorded as expenditures when paid with expendable available financial resources. Depreciation and amortization are costs that are not recognized in the governmental funds.

G. Interfund Activity

In the fund financial statements, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate. Transfers represent a permanent reallocation of resources between funds. In other words, they are not expected to be repaid.

In the government-wide financial statements, all types of interfund transactions are eliminated when presenting the governmental activity information.

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. Receivables

The financial statements for the Council do not contain an allowance for uncollectible receivables because management believes all amounts will be collected. However, if management becomes aware of information that would change its assessment about the collectability of any receivable, management would write off the receivable as bad debt at that time.

J. Prepaid Expenses/Expenditures

Prepaid expenses include amounts paid in advance for goods and services. Prepaid expenses are shown as either current or other assets on the government-wide Statement of Net Assets, depending on when management expects to realize their benefits. In the fund financial statements, management has elected not to include amounts paid for future goods and services as expenditures until those services are consumed. This

JEFFERSON DAVIS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

method of accounting for prepaid expenditures helps assure management that costs incurred will be reported in accordance with the Council's cost reimbursement grants.

These types of grants do not permit the Council to obtain reimbursement for qualified expenditures until the goods and services relating to them are consumed. As a result, the prepaid expenditures are shown as an asset on the balance sheet of the fund financial statements until they are consumed. In addition, a corresponding amount of the fund balance of the General Fund has been classified as nonspendable to reflect the amount of fund balance not currently available for expenditure.

For purposes of presenting prepaid expenses in the government-wide statements, the Council will follow the same policy it uses to record prepaid expenditures in the fund financial statements with one exception. Disbursements made as "matching" payments to acquire vehicles that will be titled to another government are recorded as a prepaid expense and amortized in the Statement of Net Assets to better present the economies of this type of transaction and to keep from distorting the Council's transportation expenses in the Statement of Activities. In contrast, 100% of the "matching" payments are reported in the fund financial statements as intergovernmental expenditures when the vehicles are received.

K. Capital Assets

The accounting and reporting treatment used for property, vehicles, and equipment (capital assets) depends on whether the capital assets are reported in the government-wide financial statements or the fund financial statements.

Government-Wide Financial Statements

Capital assets are long-lived assets purchased or acquired with an original cost of at least \$1,000 and 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. 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. Capital assets will also include major repairs to equipment and vehicles that significantly extend the asset's useful life. Routine repairs and maintenance are expensed as incurred.

For capital assets recorded in the government-wide financial statements, depreciation is computed and recorded using the straight-line method for the asset's estimated useful life. The Council follows a guideline issued by the State of Louisiana's Office of Statewide Reporting and Accounting to establish the useful lives of the various types of capital assets that are depreciated and the method used to calculate annual depreciation.

Using this guideline, the estimated useful lives of the various classes of depreciable capital assets are as follows:

Equipment	5-7 years
Vehicles	5 years
Computers	3 years

JEFFERSON DAVIS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

When calculating depreciation, the State's guidelines assumes that capital assets will not have any salvage value.

Fund Financial Statements

In the fund financial statements, capital assets used in the Council's operations are accounted for as capital outlay expenditures of the governmental fund that provided the resources to acquire the assets. Depreciation is not computed or recorded on capital assets for purposes of the fund financial statements.

L. Non-Current (Long-term) Liabilities

The accounting treatment of non-current liabilities depends on whether they are reported in the government-wide or fund financial statements. In the government-wide financial statements, all non-current liabilities that will be repaid from governmental resources are reported as liabilities. In the fund financial statements, non-current liabilities for governmental funds are not reported as liabilities or presented elsewhere in these statements.

M. Unpaid Compensated Absences

The Council's vacation and sick leave policies require employees to consume any vacation or sick leave they might earn within the Council's fiscal year. In other words, an employee must "use or lose" any earned leave on or before June 30th of every year. As a result, the Council has not accrued a liability for any unused vacation or sick leave in the financial statements.

N. Deferred Revenues

The Council reports deferred revenues on both the Statement of Net Assets (government-wide) and the Balance Sheet (fund financial statements). Deferred revenues arise when the Council receives resources before it has a legal claim to them, as when grant monies are received before the occurrence of qualifying expenditures. In subsequent periods, when the Council has a legal claim to the resources, the liability for deferred revenue is removed from the Statement of Net Assets and the Fund Balance Sheet, whichever the case might be, and the revenue is recognized. The Council did not have any deferred revenue at year end.

O. Net Assets in the Government-wide Financial Statements

In the government-wide Statement of Net Assets, the Net Asset amounts is classified and displayed in three components:

JEFFERSON DAVIS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Invested in capital assets – This component 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. At year-end the Council did not have any borrowings that were related to capital assets.
- Restricted net assets – This component consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net assets – This component consists of all other net assets that do not meet the definition of “restricted” or “invested in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Council’s policy to use restricted resources first to finance its activities.

P. Fund Equity – Fund Financial Statements

Governmental fund equity is classified as fund balance. Beginning with FY 2011, the Council’s management implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The Council did not have any nonspendable resources as of year end.
- Restricted: This classification includes amounts for which constraints have been placed on the use of resources are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.

Management has classified fund balance for Project Care and NSIP as being restricted due to the constraints placed on the use of the money.

- Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Council’s board of directors, which is the Council’s highest level of

JEFFERSON DAVIS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

decision-making authority. These amounts cannot be used for any other purposes unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council did not have any committed resources as of year end.

- **Assigned:** This classification includes amounts that are constrained by the Council's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the Council's (1) board of directors, (2) its finance committee, or (3) an official, such as the executive director, to which the board of directors has delegated the authority to assign amounts to be used for a specific purpose. The Council did not have any assigned resources as of year end.
- **Unassigned:** This classification is the residual fund balance of the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the Council will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the Council's management reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

Q. Management's Use of Estimates

The preparation of financial statements in conformity with U.S. 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.

R. Allocation of Indirect Expenses

The Council reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are recorded as direct expenses of the Administration function. GOEA provides funds to partially subsidize the Council's Administration function. The unsubsidized net cost of the Administration function is allocated using a formula that is based primarily on the relationship the direct cost a program bears to the direct cost of all programs. There are some programs that cannot absorb any indirect cost allocation according to their grant or contract limitations.

JEFFERSON DAVIS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. 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.

T. New Accounting Pronouncement

Beginning with this fiscal year, the management has adopted the provisions of Governmental Accounting Standards Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The main financial statement effects relating to this new accounting standards are with how the components of the Council's fund balances will be presented on the fund balance sheet and on the presentation of special revenue funds on the statement of revenues, expenditures and changes in fund balances. The number of special revenue funds will be less than in previous years because of the new definition of what constitutes a special revenue fund.

U. Subsequent Events

Management has evaluated subsequent events through November 9, 2011, the date the financial statements were available to be issued. There were no events that required disclosure.

NOTE 2 REVENUE RECOGNITION

Revenues are recorded in the government-wide financial 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 must be 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.

The Older American Act of 1965 Title III programs operate under a performance based contract. Title III program revenue is earned by the Council based on units of service provided within the guidelines of the related programs.

NOTE 3 CASH MANAGEMENT AND DEPOSITS

The Council maintains a consolidated bank account which is available for use by all funds to deposit revenues and pay expenses. The purpose of this consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in

JEFFERSON DAVIS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 CASH MANAGEMENT AND DEPOSITS (Continued)

other funds. The Council also maintains another demand deposit account to manage its EFSP funds.

The Council maintains a \$290 petty cash fund at its office to pay for small, unexpected expenses that might arise during daily operations.

As described by Louisiana law, the Council is classified as a quasi-public entity. Accordingly, the Council is not required to comply with Louisiana laws relating to the collateralization of bank deposits. However, it is the Council's policy to follow state law in an effort to minimize risks associated with bank deposits that exceed those currently covered by FDIC insurance.

Cash is reported at its carrying value, which equals its fair value. At year-end, the combined carrying amount of the Council's cash balances on its books was \$21,526, including \$290 of petty cash, whereas the related bank balances totaled \$30,144. The primary difference in these amounts relates to deposits made to and checks written on demand deposits accounts that have not yet cleared the bank accounts. At year-end, all of the bank balances were insured 100% by federal depository insurance.

Cash	Cost	Fair Value	Interest Rate	Maturity	Credit Risk Category
First Guaranty Bank	\$ 5,601	\$ 5,601	None	Demand	Category I
St. Martin Bank and Trust	15,659	15,659	None	Demand	Category I
The Bank	(24)	(24)	None	Demand	Category I
Petty Cash	290	290	None	N/A	None
Total Cash	<u>\$ 21,526</u>	<u>\$ 21,526</u>			
Unrestricted Purpose	\$ 15,196				
Restricted Purpose:					
Project Care	3,578				
NSIP	<u>2,752</u>				
Total Cash	<u>\$ 21,526</u>				

As illustrated in the above table, some of the Council's cash and investments are restricted assets for presentation in the Statement of Net Assets. Restricted assets include amounts received or earned by the Council with an explicit understanding between the Council and the resource providers that the resource would be used for a specific purpose.

NOTE 4 PREPAID EXPENDITURES AND EXPENSES

There were no prepaid expenditures in the Fund Balance Sheet as of June 30, 2011. Any prepaid expenditures are considered current, which management expects the Council to consume and economically benefit from in the next fiscal year.

JEFFERSON DAVIS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 5 GOVERNMENT GRANTS AND 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 reimbursements for expenses incurred under the following programs:

Program	Fund	Provider	Amount
Medicaid	General Fund	DHH	\$ 1,932
Transportation	General Fund	DOTD	25,142
Transportation	General Fund	Jennings Behavioral Health	5,775
Transportation	General Fund	Saraha Health Systems	1,055
Project Care	General Fund	Project Care	2,146
			<u>\$ 36,050</u>

NOTE 6 CHANGES IN CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

A summary of changes in capital assets and accumulated depreciation is as follows:

	Balance 06-30-10	Increases	Decreases	Balance 06-30-11
Capital Assets				
Vehicles	\$ 343,472	\$ 120,122	\$ (36,386)	\$ 427,208
Furniture & equipment	21,284	-	-	21,284
Software	5,000	-	-	5,000
Subtotal	<u>369,756</u>	<u>120,122</u>	<u>(36,386)</u>	<u>453,492</u>
Accumulated depreciation				
Vehicles	290,575	31,541	(36,386)	285,730
Furniture & equipment	12,658	1,574	-	14,232
Software	250	1,000	-	1,250
Subtotal	<u>303,483</u>	<u>34,115</u>	<u>(36,386)</u>	<u>301,212</u>
Net capital assets	<u>\$ 66,273</u>	<u>\$ 86,007</u>	<u>\$ -</u>	<u>\$ 152,280</u>

All the Council's vehicles are operational at year end. The Council's management has reviewed capital assets and does not believe any capital assets has been impaired as of year-end.

Depreciation of \$34,115 was charged to governmental activities as administrative expense for the year ended June 30, 2011.

JEFFERSON DAVIS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 NOTE PAYABLE

The Council had a short-term note payable to St. Martin Bank in the amount of \$35,000 with a renewed maturity of May 6, 2012. The following is a schedule of the changes in short-term debt:

	Balance June 20, 2010	Increases	Decreases	Balance June 20, 2011
Note payable	<u>\$ 32,824</u>	<u>\$ -</u>	<u>\$ 4,750</u>	<u>\$ 28,074</u>

NOTE 8 FUND BALANCES – FUND FINANCIAL STATEMENTS

At year end, two special revenue funds had remaining fund balances classified as restricted due to the constraints placed on the use of the money. The Project Care Fund has \$3,578 of restricted funds and the NSIP Fund has \$2,752 of restricted funds as of June 30, 2011.

NOTE 9 DEFICIT FUND BALANCE

The General Fund had a deficit fund balance of \$9,113 as of June 30, 2011. The deficit fund balance will be eliminated in future years by reducing expenditures and operating transfers to other funds.

NOTE 10 BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members can request reimbursement for out-of-pocket expenses in accordance with the Council's travel policy when traveling on behalf of the Council.

NOTE 11 INCOME TAX STATUS

The Council, a non-profit corporation, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, and as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax. However, should the Council engage in activities unrelated to its exempt purpose, taxable income could result. The Council had no material unrelated business income for the fiscal year under audit.

NOTE 12 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 collectability 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 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.

JEFFERSON DAVIS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 13 INTERFUND TRANSFERS

Operating transfers to and from the various funds are as follows for the fiscal year:

	Funds transferring in:			
	Title III B	Title III C-1	Title III C-2	Title III D
<u>Funds transferring out:</u>				
General Fund	\$ 62,765	\$ 7,822	\$ 15,330	\$ 19,775
PCOA	37,500	-	-	-
Senior Center	37,656	-	-	-
Supplemental Senior Center	3,100	-	-	-
	<u>141,021</u>	<u>7,822</u>	<u>15,330</u>	<u>19,775</u>
Special Revenue Funds:				
Non-Major Funds:				
NSIP	-	6,525	6,524	-
MIPPA	1,130	-	-	-
Total Special Revenue Funds	<u>1,130</u>	<u>6,525</u>	<u>6,524</u>	<u>-</u>
Total all funds	<u>\$ 142,151</u>	<u>\$ 14,347</u>	<u>\$ 21,854</u>	<u>\$ 19,775</u>
	<u>Funds transferring in:</u>			
	Title III E	EFSP	Total	
<u>Funds transferring out:</u>				
General Fund	\$ 4,109	\$ 4,101	\$ 113,902	
PCOA	-	-	37,500	
Senior Center	-	-	37,656	
Supplemental Senior Center	-	-	3,100	
	<u>4,109</u>	<u>4,101</u>	<u>192,158</u>	
Special Revenue Funds:				
Non-Major Funds:				
NSIP	-	-	13,049	
MIPPA	-	-	1,130	
Total Special Revenue Funds	<u>-</u>	<u>-</u>	<u>14,179</u>	
Total all funds	<u>\$ 4,109</u>	<u>\$ 4,101</u>	<u>\$ 206,337</u>	

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for by special revenue funds to eliminate program deficits.

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

JEFFERSON DAVIS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 14 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 were made during the current or prior three fiscal years that exceeded the Council's insurance coverage.

The Council's management has not purchased commercial insurance or made provision to cover or reduce the risk of loss, as a result of business interruption and certain acts of God, like floods or earthquakes.

NOTE 15 ECONOMIC DEPENDENCY

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

NOTE 16 JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

As of the end of this fiscal year, the Council's management has no knowledge of any pending litigation, lawsuits, or claims against the Council. Furthermore, the Council's management believes that any unexpected lawsuits or claims that might be filed against the Council would be adequately covered by insurance or resolved without any material impact upon the Council's financial statements.

NOTE 17 RELATED PARTY TRANSACTIONS

There were no significant related party transactions during the year.

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

JEFFERSON DAVIS COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 General Fund
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ (1,385)	\$ 66,159	\$ 55,596	\$ (10,563)
Resources (inflows):				
Revenues and transfers in	<u>470,478</u>	<u>462,965</u>	<u>551,118</u>	<u>88,153</u>
Amounts available for appropriation	<u>469,093</u>	<u>529,124</u>	<u>606,714</u>	<u>77,590</u>
Charges to appropriations (outflows):				
Personnel	148,332	135,032	146,784	(11,752)
Fringe	26,293	25,023	29,739	(4,716)
Travel	3,633	2,992	2,862	130
Operating services	63,596	47,619	47,032	587
Operating supplies	77,270	59,667	67,630	(7,963)
Other costs	2,156	2,355	2,105	250
Capital outlay	-	-	120,122	(120,122)
Debt service	-	-	7,395	(7,395)
Transfers out	<u>186,807</u>	<u>186,807</u>	<u>192,158</u>	<u>(5,351)</u>
Total charges to appropriations	<u>508,087</u>	<u>459,495</u>	<u>615,827</u>	<u>(156,332)</u>
Budgetary fund balance, June 30	<u>\$ (38,994)</u>	<u>\$ 69,629</u>	<u>\$ (9,113)</u>	<u>\$ (78,742)</u>

JEFFERSON DAVIS COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 Title III B
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	52,766	52,766	52,766	-
Program income	40	200	198	(2)
Transfers in	<u>156,329</u>	<u>147,408</u>	<u>142,151</u>	<u>(5,257)</u>
Amounts available for appropriation	<u>209,135</u>	<u>200,374</u>	<u>195,115</u>	<u>(5,259)</u>
Charges to appropriations (outflows):				
Personnel	125,191	117,756	123,701	(5,945)
Fringe	22,190	21,821	25,063	(3,242)
Travel	9,997	9,847	9,798	49
Operating services	37,057	36,028	19,652	16,376
Operating supplies	10,660	10,739	12,184	(1,445)
Other costs	<u>4,040</u>	<u>4,183</u>	<u>4,717</u>	<u>(534)</u>
Total charges to appropriations	<u>209,135</u>	<u>200,374</u>	<u>195,115</u>	<u>5,259</u>
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ -

JEFFERSON DAVIS COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 Title III C-2
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	61,084	81,084	81,084	-
Program income	2,950	3,000	3,836	836
Transfers in	<u>20,681</u>	<u>19,106</u>	<u>21,854</u>	<u>2,748</u>
Amounts available for appropriation	<u>84,715</u>	<u>103,190</u>	<u>106,774</u>	<u>3,584</u>
Charges to appropriations (outflows):				
Personnel	33,439	35,430	39,579	(4,149)
Fringe	5,927	6,566	8,019	(1,453)
Travel	6,582	7,228	10,171	(2,943)
Operating services	5,415	5,688	5,664	24
Operating supplies	33,129	47,921	43,051	4,870
Other costs	<u>223</u>	<u>357</u>	<u>290</u>	<u>67</u>
Total charges to appropriations	<u>84,715</u>	<u>103,190</u>	<u>106,774</u>	<u>(3,584)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA

JEFFERSON DAVIS COUNCIL ON AGING, INC.

Schedule of Non-Major Funds
Year Ended June 30, 2011

	Title III C-1	Title III D	Title III E	EFSP	Project Care
REVENUES					
Intergovernmental:					
Governor's Office of Elderly Affairs	\$ 42,333	\$ 3,817	\$ 21,343	\$ -	\$ -
Department of Homeland Security	-	-	-	6,053	-
Department of Euducation	-	-	-	-	-
Program service fees:					
Congregate Meals	3,258	-	-	-	-
Preventive health	-	565	-	-	-
Local and miscellaneous:					
Donations	-	-	-	-	<u>10,812</u>
Total Revenues	<u>45,591</u>	<u>4,382</u>	<u>21,343</u>	<u>6,053</u>	<u>10,812</u>
EXPENDITURES					
Current:					
Personnel	25,020	18,610	11,889	-	-
Fringe	5,069	3,771	2,409	-	-
Travel	364	208	284	-	-
Operating Services	3,179	1,281	856	10,154	7,845
Operating Supplies	26,143	222	6,336	-	-
Other Costs	163	65	3,678	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>59,938</u>	<u>24,157</u>	<u>25,452</u>	<u>10,154</u>	<u>7,845</u>
Excess (deficiency) of revenues over expenditures	<u>(14,347)</u>	<u>(19,775)</u>	<u>(4,109)</u>	<u>(4,101)</u>	<u>2,967</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	14,347	19,775	4,109	4,101	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	<u>14,347</u>	<u>19,775</u>	<u>4,109</u>	<u>4,101</u>	<u>-</u>
Net decrease in fund balances	-	-	-	-	2,967
FUND BALANCES					
Beginning of the year	-	-	-	-	<u>611</u>
End of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,578</u>

<u>NSIP</u>	<u>MIPPA</u>	<u>Total</u>
\$ 13,049	\$ 1,130	\$ 81,672
-	-	6,053
-	-	-
-	-	3,258
-	-	565
<u>-</u>	<u>-</u>	<u>10,812</u>
<u>13,049</u>	<u>1,130</u>	<u>102,360</u>
-	-	55,519
-	-	11,249
-	-	856
-	-	23,315
-	-	32,701
-	-	3,906
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>127,546</u>
<u>13,049</u>	<u>1,130</u>	<u>(25,186)</u>
-	-	42,332
<u>(13,049)</u>	<u>(1,130)</u>	<u>(14,179)</u>
<u>(13,049)</u>	<u>(1,130)</u>	<u>28,153</u>
-	-	2,967
<u>2,752</u>	<u>-</u>	<u>3,363</u>
<u>\$ 2,752</u>	<u>\$ -</u>	<u>\$ 6,330</u>

JEFFERSON DAVIS COUNCIL ON AGING, INC.

Comparative Schedule of General Fixed Assets
 And Changes In General Fixed Assets
 Year Ended June 30, 2011 .

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
General fixed assets:				
Vehicles	\$ 343,472	\$ 120,122	\$ 36,386	\$ 427,208
Furniture and equipment	21,284	-	-	21,284
Software	<u>5,000</u>	-	-	<u>5,000</u>
Total general fixed assets	<u>\$ 369,756</u>	<u>\$ 120,122</u>	<u>\$ 36,386</u>	<u>\$ 453,492</u>
Investment in general fixed assets:				
Property acquired with funds from -				
Local & Donations	\$ 77,051	\$ -	\$ -	\$ 77,051
PCOA	5,036	-	-	5,036
DOTD Section 5309 & 5311	<u>287,669</u>	<u>120,122</u>	<u>36,386</u>	<u>371,405</u>
Total investment in general fixed assets	<u>\$ 369,756</u>	<u>\$ 120,122</u>	<u>\$ 36,386</u>	<u>\$ 453,492</u>



Darnall, Sikes, Gardes Frederick.

(A Corporation of Certified Public Accountants)

Independent Auditor's 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*

The Board of Directors
Jefferson Davis Council on Aging, Inc.
Jennings, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson Davis Council on Aging, Inc., as of and for the year ended June 30, 2011, which collectively comprise the Jefferson Davis Council on Aging, Inc.'s basic financial statements and have issued our report thereon dated November 9, 2011. 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.

Internal Control Over Financial Reporting

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

Eugene H. Darnall, CPA, Deceased 1990

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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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Jefferson Davis Council on Aging, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as item 11-1.

Jefferson Davis Council on Aging, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Jefferson Davis Council on Aging, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the board of directors, management, others within the organization and is not intended to be and should not be used by anyone other than those specified parties. However, Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Dannall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
November 9, 2011

JEFFERSON DAVIS COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Part I Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report - Financial Statements

An unqualified opinion has been issued on Jefferson Davis Council on Aging, Inc.'s financial statements as of and for the year ended June 30, 2011.

Deficiencies and Material Weaknesses in Internal Control - Financial Reporting

No deficiencies or material weaknesses in internal control over financial reporting were disclosed during the audit of the financial statements.

Material Noncompliance - Financial Reporting

There was one instances of noncompliance noted during the audit of the financial statements and is show as item 11-1 in Part II below.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2011.

Part II Findings Relating to an Audit in Accordance with *Governmental Auditing Standards*.

11-1 Budget Variances

Finding:

The Council's General Fund had actual expenditures exceeding total budgeted expenditures by more than 10%. In accordance with the Council's budget policy, the budget for each fund adopted by the Council should be amended when actual revenues for a particular revenue category are less than the budgeted amount by more than ten (10%) percent or when actual expenses for a particular expense category are more that the budgeted amount by more than ten (10%).

Cause:

The Council failed to amend the budget at the end of fiscal year June 30, 2011.

Effect:

Inaccurate budgeting counters fiscal responsibility.

Recommendation:

The Council should monitor revenues and expenses for each fund in order to effectively advise when any ten percent variances occur.

JEFFERSON DAVIS COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2011

Part III: Findings and Questioned Costs Relating to Federal Programs

At June 30, 2011, the Jefferson Davis Parish Council on Aging, Inc. did not meet the requirements to have a single audit in accordance with OMB Circular A-133, therefore this section is not applicable.

JEFFERSON DAVIS COUNCIL ON AGING, INC.

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011**

This section is not applicable for the fiscal year ended June 30, 2011

JEFFERSON DAVIS COUNCIL ON AGING, INC.

Management's Corrective Action Plan
Year Ended June 30, 2011

Response to Findings:

11-1 Budget Variances

Response:

The Council will amend the budget whenever actual revenues are less than the budget amounts by more than ten percent or when actual expenses for a particular expense category are more than the budgeted amounts by more than ten percent.