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**LAFAYETTE COUNCIL  
ON AGING, INC.**

Financial Report

Year Ended June 30, 2001

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

Release Date 11/21/01

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The Board of Directors  
Lafayette Council on Aging, Inc.  
Lafayette, Louisiana

We have audited the accompanying general purpose financial statements of the Lafayette Council on Aging, Inc., as of and for the year ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with 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; and Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Lafayette Council on Aging, Inc. as of June 30, 2001, and the results of its operations and cash flows of its proprietary fund type for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated October 26, 2001, on our consideration of the Lafayette 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.

Member of:  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Lafayette Council on Aging, Inc. taken as a whole. The accompanying Schedule of Expenditures of Federal Awards as required by U.S. Office of Management and Budget Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*," and the supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

*Dannall, Sikes & Frederick*

A Corporation of Certified Public Accountants

Lafayette, Louisiana  
October 26, 2001

**GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS – OVERVIEW)**

LAFAYETTE COUNCIL ON AGING, INC.

Combined Balance Sheet - All Fund Types And Account Groups  
June 30, 2001

	Governmental Fund Types		Proprietary Fund Type	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Enterprise	General Fixed Assets	General Long-Term Debt	
<b>ASSETS</b>						
Cash	\$ 20,987	\$ 107,599	\$ 319,835	\$ -	\$ -	\$ 448,421
Cash-restricted deposits	-	-	27,903	-	-	27,903
Prepaid expenditures	317	-	-	-	-	317
Due from other funds	24,500	55,106	-	-	-	79,606
Deposits	14,211	-	-	-	-	14,211
Accounts receivable	35,574	23,714	42	-	-	59,330
Fixed assets	-	-	3,700,019	895,221	-	4,595,240
Amount to be provided for retirement of general long-term debt	-	-	-	-	17,559	17,559
<b>Total assets</b>	<b>\$ 95,589</b>	<b>\$ 186,419</b>	<b>\$ 4,047,799</b>	<b>\$ 895,221</b>	<b>\$ 17,559</b>	<b>\$ 5,242,587</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 3,288	\$ 10,178	\$ -	\$ -	\$ -	\$ 13,466
Tenant's deposits - payable from restricted cash	-	-	23,712	-	-	23,712
Deferred revenue	300	840	-	-	-	1,140
Accrued payroll and related benefits payable	5,919	-	-	-	-	5,919
Due to other funds	55,106	24,254	246	-	-	79,606
Long-term debt - Accumulated unpaid vacation	-	-	-	-	17,559	17,559
<b>Total liabilities</b>	<b>64,613</b>	<b>35,272</b>	<b>23,958</b>	<b>-</b>	<b>17,559</b>	<b>141,402</b>
<b>Fund equity:</b>						
Contributed capital	-	-	3,645,000	-	-	3,645,000
Investment in fixed assets	-	-	-	895,221	-	895,221
Retained earnings-unreserved	-	-	378,841	-	-	378,841
<b>Fund balances:</b>						
Unreserved, undesignated	(459)	151,147	-	-	-	150,688
Unreserved, designated	5,158	-	-	-	-	5,158
Reserved	26,277	-	-	-	-	26,277
<b>Total balances</b>	<b>30,976</b>	<b>151,147</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>182,123</b>
<b>Total fund equity</b>	<b>30,976</b>	<b>151,147</b>	<b>4,023,841</b>	<b>895,221</b>	<b>-</b>	<b>5,101,185</b>
<b>Total liabilities and fund equity</b>	<b>\$ 95,589</b>	<b>\$ 186,419</b>	<b>\$ 4,047,799</b>	<b>\$ 895,221</b>	<b>\$ 17,559</b>	<b>\$ 5,242,587</b>

The accompanying notes are an integral part of this statement.

LAFAYETTE COUNCIL ON AGING, INC.

Combined Statement Of Revenues, Expenditures, And  
Changes In Fund Balances - All Governmental Fund Types  
Year Ended June 30, 2001

	<u>General</u>	<u>Special Revenue</u>	<u>Total (Memorandum Only)</u>
<b>Revenues:</b>			
Intergovernmental Program	\$ 33,024	\$ 1,369,111	\$ 1,402,135
Local and miscellaneous In-kind	-	71,347	71,347
	181,166	234,740	415,906
	-	121,937	121,937
Total revenues	<u>214,190</u>	<u>1,797,135</u>	<u>2,011,325</u>
<b>Expenditures:</b>			
Current -			
Salaries	32,884	1,037,008	1,069,892
Fringe	4,672	115,174	119,846
Travel	1,053	63,110	64,163
Operating services	63,748	148,024	211,772
Operating supplies	1,767	35,786	37,553
Other costs	55,796	252,445	308,241
Capital outlay	669	74,706	75,375
Debt Service -			
Principal	9,382	-	9,382
Interest	512	-	512
In-kind	-	121,937	121,937
Total expenditures	<u>170,483</u>	<u>1,848,190</u>	<u>2,018,673</u>
Excess (deficiency) of revenues over expenditures	<u>43,707</u>	<u>(51,055)</u>	<u>(7,348)</u>
<b>Other financing sources (uses):</b>			
Operating transfers in	6,611	281,022	287,633
Operating transfers out	<u>(70,885)</u>	<u>(216,748)</u>	<u>(287,633)</u>
Total other financing sources (uses)	<u>(64,274)</u>	<u>64,274</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(20,567)	13,219	(7,348)
Fund balances, beginning of year	<u>51,543</u>	<u>137,928</u>	<u>189,471</u>
Fund balances, end of year	<u>\$ 30,976</u>	<u>\$ 151,147</u>	<u>\$ 182,123</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE COUNCIL ON AGING, INC.

Combined Statement Of Revenues, Expenditures And  
Changes In Fund Balances - Budget (GAAP Basis) And Actual - All Governmental Fund Types  
Year Ended June 30, 2001

	General Fund			Special Revenue Funds		
	Budgeted	Actual	Variance - Favorable (Unfavorable)	Budgeted	Actual	Variance - Favorable (Unfavorable)
<b>Revenues:</b>						
Intergovernmental Program	\$ 33,024	\$ 33,024	\$ -	\$ 1,248,581	\$ 1,369,111	\$ 120,530
Local and miscellaneous In-kind	162,282	181,166	18,884	197,191	234,740	37,549
Total revenues	<u>195,306</u>	<u>214,190</u>	<u>18,884</u>	<u>1,585,655</u>	<u>1,797,135</u>	<u>211,480</u>
<b>Expenditures:</b>						
Current -						
Salaries	32,922	32,884	38	1,017,920	1,037,008	(19,088)
Fringe	4,714	4,672	42	116,832	115,174	1,658
Travel	1,024	1,053	(29)	48,818	63,110	(14,292)
Operating services	54,566	63,748	(9,182)	139,944	148,024	(8,080)
Operating supplies	1,877	1,767	110	32,249	35,786	(3,537)
Other costs	59,669	55,796	3,873	278,256	252,445	25,811
Capital outlay	14,184	669	13,515	6,270	74,706	(68,436)
Debt Service -						
Principal	-	9,382	(9,382)	-	-	-
Interest	-	512	(512)	-	-	-
In-kind	-	-	-	75,202	121,937	(46,735)
Total expenditures	<u>168,956</u>	<u>170,483</u>	<u>(1,527)</u>	<u>1,715,491</u>	<u>1,848,190</u>	<u>(132,699)</u>
Excess (deficiency) of revenues over expenditures	<u>26,350</u>	<u>43,707</u>	<u>17,357</u>	<u>(129,836)</u>	<u>(51,055)</u>	<u>78,781</u>
<b>Other financing sources (uses):</b>						
Operating transfer in	6,611	6,611	-	281,022	281,022	-
Operating transfer out	<u>(70,885)</u>	<u>(70,885)</u>	-	<u>(216,748)</u>	<u>(216,748)</u>	-
Total other financing sources (uses)	<u>(64,274)</u>	<u>(64,274)</u>	-	<u>64,274</u>	<u>64,274</u>	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(37,924)</u>	<u>(20,567)</u>	<u>17,357</u>	<u>(65,562)</u>	<u>13,219</u>	<u>78,781</u>
Fund balances, beginning of year	<u>51,543</u>	<u>51,543</u>	-	<u>137,928</u>	<u>137,928</u>	-
Fund balances, end of year	<u>\$ 13,619</u>	<u>\$ 30,976</u>	<u>\$ 17,357</u>	<u>\$ 72,366</u>	<u>\$ 151,147</u>	<u>\$ 78,781</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE COUNCIL ON AGING, INC.

Statement Of Revenues, Expenses And Changes  
In Retained Earnings - Proprietary Fund Type -  
(Woodvale Place Apartments)  
Year Ended June 30, 2001

Operating revenues:	
Rental income	\$ 615,801
Interest income	4,639
Other income	<u>20,574</u>
Total operating revenue	<u>641,014</u>
Operating expenses:	
Rental	12,287
Administrative	150,078
Depreciation	141,452
Operating	47,560
Maintenance	185,508
Taxes and insurance	46,391
Capital improvements	<u>18,819</u>
Total operating expenses	<u>602,095</u>
Net income	38,919
Add depreciation on contributed assets	<u>128,000</u>
Increase in retained earnings	166,919
Retained earnings, beginning	<u>211,922</u>
Retained earnings, ending	<u>\$ 378,841</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE COUNCIL ON AGING, INC.

Statement of Cash Flows  
Proprietary Fund Type  
(Woodvale Place Apartments)  
Year Ended June 30, 2001

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Net income	<u>\$ 38,919</u>
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	141,452
Changes in assets and liabilities:	
Decrease in accounts receivable	1,007
Decrease in accounts payable	(10,225)
Increase in tenants' deposits	2,901
Decrease in due-to-other funds	<u>(11,141)</u>
Total adjustments	<u>123,994</u>
Net cash provided by operating activities	<u>162,913</u>
<b>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES:</b>	
Acquisition of fixed assets	<u>(68,663)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>94,250</b>
<b>CASH AND CASH EQUIVALENTS, beginning</b>	<u>253,488</u>
<b>CASH AND CASH EQUIVALENTS, ending</b>	<u>\$ 347,738</u>

The accompanying notes are an integral part of this statement.

# LAFAYETTE COUNCIL ON AGING, INC.

## Notes to Financial Statements

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Financial Reporting Entity

Act 456 of 1964 authorized the charter of voluntary councils on aging for the welfare of the aging people in their respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. Each council is a non-profit, quasi-public corporation which must comply with policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the council with most of its revenue. The council also receives revenue from other federal, state, and local government agencies that may impose some additional requirements.

The primary function of the Lafayette Council on Aging, Inc. (Council) is to improve the quality of life for the parish's elderly and to provide services to the elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Some of the services provided by the Council include congregate and home-delivered meals, nutritional education, information and assistance, legal assistance, homemaker services, discount services, material aid, outreach, operating senior centers, and transportation. A Board of Directors, consisting of 14 voluntary members who serve three-year terms, governs the Council.

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

This report includes all funds and account groups that are controlled by or dependent on the Council. Control by or dependence on the Council was determined on the basis of budget adoption, appointment of governing body, and other general oversight responsibility.

#### Presentation of Statements

In April 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November of 1984, the GASB issued a codification of Governmental Accounting and Financial Reporting Standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.

The accompanying financial statements conform to generally accepted accounting principles for state and local governments. These statements have also incorporated any applicable requirements set forth by Audits of State and Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection VI - Annual Financial Reporting, accounting manual for Governor's Office of Elderly Affairs contractors; and the Louisiana Governmental Audit Guide.

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

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

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

Governmental Fund Types

Governmental funds are used to account for all or most of the Council's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition of fixed assets, and the servicing of general long-term debt.

The governmental funds and the programs comprising them as presented in the financial statements are described as follows:

General Fund

The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. These discretionary funds are accounted for and reported according to the source (federal, state, or local) from which they are derived. In addition, the servicing of general long-term debt is accounted for in the General Fund because unrestricted resources are used to pay for the liabilities incurred by this fund and there are no legal mandates to use a debt service fund.

The following programs comprise the Council's General Fund:

Other Local

Revenues, such as, (1) donations from the general public, (2) income from various fundraisers, (3) program service revenue from renting Medic Alert units, and (4) interest income earned on idle funds which have been invested, have been recorded in the "other local" program of the General Fund.

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types (continued)

General Fund (continued)

Other Local (continued)

Expenses incurred, which are not chargeable to specific programs, are recorded as "other local" program expenditures. Also, expenses incurred to produce related program service fees and fundraising income are charged as "other local" program expenditures. "Other local" funds are also used as transfers to special revenue funds to supplement those programs. In addition, fixed asset additions are generally paid with "other local" funds.

Newspaper

The Newspaper Fund is used to account for the revenues and expenditures associated with the newsletter published by the Lafayette Council on Aging, Inc.

Office Rental Fund

The Office Rental Fund is used to account for the revenues and expenditures associated with the rental of extra office space owned by the Lafayette Council on Aging, Inc. to third parties.

Wellness Card Fund

This fund is used to account for the revenues and expenditures associated with a discount prescription card sale fundraising event.

PCOA (Act 735)

PCOA (Act 735) funds are appropriated for the Governor's Office of Elderly Affairs by the Louisiana Legislature for remittance to the Council. The Council may use the "Act 735" funds at its discretion, provided the program is benefiting people who are at least 60 years old.

Light Bulb Fund

This fund is used to account for the revenues and expenditures associated with a light bulb sale fundraising event.

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types (continued)

Special Revenue Funds

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

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

Title III-B Supportive Services Fund

Title III-B funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This program is used to account for funds which are to provide a variety of social services; such as, information and assistance, access services, in-home services, community services, legal assistance, and outreach for people age 60 and older.

Title III C-1 Congregate Meals Fund

Title III C-1 funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This 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 July 1, 2000 to June 30, 2001, the Council served about 15,337 congregate meals.

Title III C-2 Home-Delivered Meals Fund

Title III C-2 funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This fund is used to account for funds, which are used to provide nutritional, home-delivered meals to homebound older persons. During the fiscal year July 1, 2000 to June 30, 2001, the Council served about 121,243 home-delivered meals.

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types (continued)

Special Revenue Funds (continued)

Title III-F Fund

The Title III-F Fund is used to account for funds used for disease prevention and health promotion activities or services, such as; (1) equipment and materials (scales to weigh people, educational materials, and exercise equipment), (2) home injury control, (3) medication management, (4) mental health, and (5) nutrition (assessment/screening, counseling, and education). The law directs the state agency administering this program to "give priority to areas of the state which are medically underserved and in which there are a large number of older individuals who have the greatest economic and social need." Title III-F funds are provided by the U.S. Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes-through" the funds to the Council.

Senior Center Fund

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The Council operates four senior centers in Lafayette Parish, Louisiana.

Title III B - Ombudsman Fund

The Ombudsman Fund is used to account for funds used to provide people age 60 and older residing in long-term care facilities a representative to ensure that such residents' rights are upheld, to resolve complaints by residents with the management of the long-term care facility, and to promote quality care at the facility. Ombudsman funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types (continued)

Special Revenue Funds (continued)

Supplemental Senior Center Fund

The Supplemental Senior Center Fund is used to account for funds provided by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. The funds are used to supplement the other programs operated by the Council.

Senior Community Service Employment Fund (Title V)

The Senior Community Service Employment Fund is used to account for funds, which are used to provide, foster, and promote useful part time work opportunities in *community service activities for low-income persons who are 55 years old and older*. These funds are provided by the Department of Labor through the National Council of Senior Citizens, which in turn "passes through" the funds to the Council.

Foster Grandparents Fund

The Foster Grandparents Fund is used to account for federal funds which are provided directly by the Corporation for National Service and state funds which are provided directly by the Louisiana Governor's Office of Elderly Affairs to pay for expenses incurred by low-income, senior citizens, age 60 and over, who have volunteered their time to assist in providing companionship and guidance for physically and mentally handicapped children and children who have been abused and neglected in the juvenile justice system, or have other special needs.

Broussard House

This fund reports the activity of a facility operated by the Council for the Senior Center and other community activities.

United Givers Fund

This fund reports assistance received from the community's regular United Appeals activity. The funds are received upon application to the United Givers Agency and are subject to reporting to, and monitoring by, that Agency.

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types (continued)

Special Revenue Funds (continued)

Elderly Housing Management Fund

The Elderly Housing Management Fund represents management fees and expenditures relating to the management of Beau Sejour Estates (a retirement community) along with management fees and expenditures of Woodvale Place Apartments (Section 8 HUD housing).

Family Caring Network Case Management Fund

This fund is used to account for revenues received from Life Plans, Inc. and is to be used for the purpose of assisting elderly and disabled persons in identifying and locating appropriate service providers capable of addressing their health and other aging and disability related problems.

FEMA Fund

The FEMA Fund is used to account for the administration of a Disaster Assistance Program whose purpose is to supplement food and shelter assistance to individuals who might currently be receiving assistance, as well as to assist those who are not. Funds are provided by the Federal Emergency Management Agency through the United Way of Acadiana, which in turn "passes through" the funds to the Council.

Community Base Program Fund

This fund is used to account for revenues and expenditures associated with the Council providing homemaker services to the elderly of the parish who are on the waiting list for the services provided by the Council. Revenue is received from the person utilizing the services.

Title XIX Fund

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

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types (continued)

Special Revenue Funds (continued)

Senior Olympics Fund

This fund is used to account for the revenues and expenditures associated with the Senior Olympics fundraising event.

Transportation Options Management

This fund is used to account for the revenues and expenditures associated with the Council providing transportation services to the clients of Options Management, L.L.C. and Healthsouth Rehabilitation Hospital of Lafayette to and from their residence and to and from Options Management, L.L.C. and Healthsouth Rehabilitation Hospital of Lafayette.

Section 5310

This fund is used to account 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. Two vehicles were acquired under this program during the current fiscal year.

Health Prevention Fund

This fund is used to account for funds used for the education of preventing health care fraud, waste and abuse. Funds are provided by the Louisiana Governor's office of Elderly Affairs.

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund Type

Proprietary funds are accounted for on the economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The government applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. Proprietary funds include the following fund type:

Enterprise Fund

These funds are used to account for those operations that are financed and operated in a manner similar to a private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The Council operates Woodvale Place Apartments as an enterprise fund.

Account Groups

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The following two account groups are not "funds."

General Fixed Assets

The fixed assets (capital outlays) used in governmental fund type operations of the Lafayette Council on Aging, Inc. are accounted for (capitalized) in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased.

General Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. The General Long-Term Debt Account Group shows only the measurement of financial position and is not involved with measurement of results of operations. Principal and interest payments on long-term liabilities (bank loans and capital lease obligations) are accounted for in the General Fund because the Council intends to use unrestricted resources to pay them and no legal mandate exists to establish a debt service fund.

# LAFAYETTE COUNCIL ON AGING, INC.

## Notes to Financial Statements

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Basis of Accounting

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

Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become susceptible to accrual (i.e., "measurable and available"). "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period, or soon enough thereafter to pay liabilities of the current period. The Council considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for principal and interest on long-term debt which are recorded when due.

#### Transfers and Interfund Loans

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

#### Budget Policy

The Council follows these procedures in establishing the budgetary data reflected in these financial statements.

The Governor's Office of Elderly Affairs "GOEA" notifies the Council each year as to the funding levels for each program's grant award.

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

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

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

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

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget Policy (continued)

The adopted budget is forwarded to the Cajun Area Agency on Aging, Inc. for final approval.

All budgetary appropriations lapse at the end of each fiscal year (June 30). Occasionally, the Council will receive a special project grant, which may operate on a period different from the Council's normal fiscal year, and therefore, have a specified date where the budgetary appropriations will lapse.

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

Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

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

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

Expenditures cannot legally exceed appropriations at the individual fund level.

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

Total Columns on Combined Statements - Overview

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

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fixed Assets

Assets which cost at least \$1,000 and which have an estimated useful life of greater than one year are capitalized as fixed assets. All fixed assets are stated at historical cost or estimated historical cost, if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. No depreciation has been provided on general fixed assets.

Compensated Absences

The Council's policy allows full time employees to carry forward 30 days of unused sick leave and 10 days of annual leave beyond the fiscal year end. Full-time employees earn 7.5 hours of sick leave and between 7.5 and 12.5 hours depending on years of employment of annual leave per month. An employee may be paid for 10 days of unused annual leave and any compensatory time accumulated upon separation. The liability for accumulated annual leave has been recorded in the General Long-Term Debt Account Group.

Related-Party Transactions

There were no related-party transactions noted during the fiscal year.

Restricted Assets

Restricted assets represent tenant deposits associated with the Woodvale Place Apartments.

Reservations and Designations of Fund Balances

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

Prepaid Expenditures

The Council has elected not to expense amounts paid for future services until those services are consumed to comply with the cost reimbursement terms of its grant agreements. The fund balances in the governmental fund types have been reserved for any prepaid expenditures recorded in these funds to reflect the amount of fund balance not currently available for expenditure.

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Cash Equivalents

The Council considers all short-term highly liquid investments that are readily convertible to cash and matures within three months of the date it is acquired to be cash equivalents.

NOTE 2 REVENUE RECOGNITION - INTERGOVERNMENTAL, PROGRAM SERVICE FEES, PUBLIC SUPPORT, MISCELLANEOUS REVENUES, AND RENTS.

Intergovernmental

Intergovernmental revenues are recorded in governmental funds as revenues in the accounting period when they become susceptible to accrual, that is, measurable and available (modified accrual basis). Intergovernmental grants do not allow the Council to recognize revenue under the grant award until actual costs are incurred or units of service are provided.

Program Service Fees

Program service fees are recognized when the Council provides the service that entitles the Council to charge the recipient for the services received. The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1, and C-2.

Public Support and Miscellaneous Revenues

Utility assistance funds are provided from public donations via utility company programs. In addition, various fundraisers are held during the year to obtain funds to offset costs of general operations and senior activities. The timing and amounts of the receipts of public support and miscellaneous revenues are difficult to predict; therefore, they are not susceptible to accrual and are recorded as revenue in the period received.

Rents

Rents associated with Woodvale Place Apartments are charged to tenants on the first of each month. Significant amounts not collected are included in accounts receivable.

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 3 CASH AND INTERESTING-BEARING DEPOSITS

The Council maintains a consolidated bank account to deposit the money it collects and to pay its bills. The consolidated bank account is available for use by all funds other than those required to maintain separate accounts. The purpose of the consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash balances to cover any negative cash balances in other funds at year-end.

Under state law, the Council may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Council may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2001, the Council has cash and interest-bearing deposits (book balances) totaling \$476,324.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2001 at Bank One, are secured as follows:

Bank balances	<u>\$190,600</u>
Federal deposit insurance	\$100,000
Pledged securities (Category 3)	<u>440,339</u>
Total	<u>\$540,339</u>

Deposit balances (bank balances) at June 30, 2001, at IberiaBank, are secured as follows:

Bank balances	<u>\$380,577</u>
Federal deposit insurance	100,000
Pledged securities (Category 3)	<u>300,000</u>
Total	<u>\$400,000</u>

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Council's name. Even though the pledged securities are considered un-collateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Council that the fiscal agent has failed to pay deposited funds upon demand.

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 4 CHANGES IN GENERAL FIXED ASSETS

	Balance June 30, 2000	Additions	Deletions	Balance June 30, 2001
Buildings	\$ 516,055	\$ -	\$ -	\$ 516,055
Land	60,000	-	-	60,000
Leasehold improvements	28,911	-	-	28,911
Furniture and fixtures	121,160	5,566	47,720	79,006
Vehicles	147,995	67,722	5,886	209,831
Total general fixed assets	<u>\$ 874,121</u>	<u>\$ 73,288</u>	<u>\$ 53,606</u>	<u>\$ 893,803</u>

NOTE 5 FIXED ASSETS

Fixed assets in the proprietary fund consist of the following:

Land	\$ 650,000
Building	3,200,000
Building improvements	117,696
Equipment	<u>5,683</u>
	3,973,379
Less: Accumulated depreciation	<u>(273,360)</u>
Total fixed assets	<u>\$3,700,019</u>

NOTE 6 IN-KIND DONATIONS

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

NOTE 7 BOARD OF DIRECTORS' COMPENSATION

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

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 8 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.

NOTE 9 CHANGES IN LONG-TERM DEBT

Long-term liabilities that will be financed from governmental funds are accounted for in the general long-term debt group of accounts. The following is a summary of changes in the general long-term debt account group.

	Balance June 30, 2000	Principal		Balance June 30, 2001
		Additions	Deletions	
Note payable	\$ 9,382	\$ -	\$ 9,382	\$ -
Accrued annual leave	18,989	-	1,430	17,559
Total	<u>\$ 28,371</u>	<u>\$ -</u>	<u>\$ 10,812</u>	<u>\$ 17,559</u>

Accrued annual leave is expected to be paid during the fiscal year ended June 30, 2002.

NOTE 10 JUDGMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

There is no litigation pending against the Council at June 30, 2001. Furthermore, the Council's management believes that any potential lawsuits would be adequately covered by insurance.

NOTE 11 FEDERAL AWARD PROGRAMS

The Council receives revenues from various Federal and State grant programs, which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. These programs are audited in accordance with the Single Audit Act Amendments of 1996. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the agency and the Council. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the Council's financial position.

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 12 ECONOMIC DEPENDENCY

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

NOTE 13 RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the year that exceeded the Council's insurance coverage.

NOTE 14 INTERFUND LOANS

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 24,500	\$ 55,106
Community Base Program	1,507	-
Emergency Food and Shelter	2,627	-
Foster Grandparent Program	8,149	-
Family Caring Network	16,326	-
Transportation Options Management	-	7,522
Broussard House	5,992	-
Senior Olympics	16,044	-
Title XIX	-	15,735
Senior Center	-	464
Title III-B	-	464
Title V	-	69
Woodvale Place Apartments	-	246
Elderly Housing Management	4,461	-
	<u>\$ 79,606</u>	<u>\$ 79,606</u>

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 15 INTERFUND TRANSFERS

Operating transfers in and out are listed by fund for 2001:

	Funds Transferring Out:			
	<u>Elderly Housing Management</u>	<u>Family Caring Network</u>	<u>United Givers</u>	<u>General</u>
<b>Funds Transferring In:</b>				
Foster Grandparents Program	\$ -	\$ -	\$ -	\$ 134
Title III-C-1	13,981	-	-	4,101
Title III-C-2	43,334	-	50,748	19,856
Title III-B	39,200	-	-	-
Ombudsman	959	-	-	-
Title III-F	-	-	-	226
General Fund	6,611	-	-	-
Section 5310	-	-	-	13,544
	<u>\$ 104,085</u>	<u>\$ -</u>	<u>\$ 50,748</u>	<u>\$ 37,861</u>

	<u>PCOA</u>	<u>Senior Center</u>	<u>Miscellaneous Grant</u>	<u>Transportation Option Management</u>	<u>Total</u>
	<b>Funds Transferring In:</b>				
Foster Grandparents Program	\$ -	\$ -	\$ -	\$ -	\$ 134
Title III-C-1	-	-	-	-	18,082
Title III-C-2	-	-	-	-	113,938
Title III-B	33,024	57,757	4,158	-	134,139
Ombudsman	-	-	-	-	959
Title III-F	-	-	-	-	226
General Fund	-	-	-	-	6,611
Section 5310	-	-	-	-	13,544
	<u>\$ 33,024</u>	<u>\$ 57,757</u>	<u>\$ 4,158</u>	<u>\$ -</u>	<u>\$ 287,633</u>

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 16 PROGRAM YEAR-ENDS

All of the operating programs have a June 30 year-end, coinciding with the fiscal year of the Council, except for the Foster Grandparents Program and the FEMA Program, which are not funded through the Area Agency, and have a September 30 year-end. These statements reflect twelve months activity for the above programs for the year ended June 30, 2001.

NOTE 17 RESERVED FUND BALANCE

	Balance July 1, 2000	Revenue July 1, 2000 - June 30, 2001	Disbursements July 1, 2000 - June 30, 2001	Balance June 30, 2001
Gulf States Utilities (Project Care)	<u>\$ 511</u>	<u>\$ 6,897</u>	<u>\$ 7,386</u>	<u>\$ 22</u>

The Council receives funding from various utility companies for the restricted purpose of alleviating hardship conditions related to the payment of utility bills for elderly individuals. Funds available at year-end for this purpose have been reserved accordingly.

The Council has other assets which are restricted in their application by virtue of the donor's intention or commitments already entered into by the Council. These amounts are also reported as reserved fund balance. These include escrow-type deposits required by the U.S. Department of Housing and Urban Development (HUD) in connection with elderly housing projects undertaken and sponsored by the Council. Other restricted assets arise because of gifts solicited and collected for a specific purpose by the Council. Other assets, like the utility assistance above, are restricted by the terms and nature of the grant. Finally, some assets represent "deposits" pledged to confirm the Council's intentions with respect to certain projects. Related accumulated income is included in some of the restricted balances. Details on the reserved balances are set out below:

Miles for Meals	\$ 6,127
Project Care	22
Town of Scott	5,600
Deposit on FTA van	14,211
Prepaid expenditures	317
Total Reserved Fund Balance	<u>\$ 26,277</u>

NOTE 18 DESIGNATED FUND BALANCE

The Board of Directors has designated funds for future building repairs in the amount of \$5,158.

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 19 UNRELATED BUSINESS INCOME

The Council operates an activity, which was determined for the year ended June 30, 2001, to be an activity "unrelated to the Council's tax exempt purpose" as that term is used in IRS regulations. The income of that activity (Broussard House, a Special Revenue Fund) is, therefore, considered to be "unrelated business income" and is subject to federal taxes. The expenses as reported in these financial statements comply with the accounting prescribed by the Governor's Office of Elderly Affairs. The Form 990T required by the IRS requires different accounting treatment, specifically with respect to "capital outlay expenditures" which for tax reporting must be capitalized and depreciated rather than totally expensed.

The expenses of the Broussard House as reported in these financial statements and in the Form 990T may be reconciled as follows:

Expenses per 990T	\$20,513
Less: Depreciation expense	<u>(327)</u>
Expenses per financial statements	<u>\$20,186</u>

NOTE 20 DEFICIT FUND BALANCES

The Newspaper Fund and Title XIX Fund have deficit fund balances of \$6,998 and \$12,695, respectively, at June 30, 2001.

These deficit balances will be eliminated in future years by reducing expenditures and by transfers from other funds.

NOTE 21 EXCESS EXPENDITURES OVER APPROPRIATIONS

At year-end, the Council has several funds whose expenditures exceeded appropriations. The individual funds and the amount of the excess expenditures are:

Title III B	<u>\$ 676</u>
Title III F	<u>\$ 226</u>
Broussard House	<u>\$ 1,799</u>
Transportation Options Management	<u>\$ 4,184</u>
Senior Center	<u>\$ 125</u>
Community Base Program	<u>\$ 30</u>
Senior Olympics	<u>\$ 938</u>
Broussard House	<u>\$ 1,799</u>
Newspaper	<u>\$ 45</u>

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 22 CONTRIBUTED CAPITAL

The Louisiana Housing Finance Agency contributed an apartment complex with a fair market value of \$3,850,000 to the Lafayette Council on Aging, Inc. on March 25, 1999. The complex is to be managed and operated in accordance with the U.S. Department of Housing and Urban Development (HUD) provisions requiring certain units in the complex to be maintained as housing for low and moderate income persons or families. For financial reporting purposes, the operations of the complex shall be accounted for as a proprietary fund. In addition to the above, contributed capital also consists of a cash donation of \$51,000, also from the Louisiana Housing Finance Agency.

Details on the contributed capital are set out below:

Contributed apartment complex	\$3,850,000
Cash contribution	<u>51,000</u>
Total contributed capital	<u>\$3,901,000</u>

**SUPPLEMENTARY INFORMATION**

**SCHEDULES OF INDIVIDUAL FUNDS**

LAFAYETTE COUNCIL ON AGING, INC.

Combining Statement Of Program Revenues, Expenditures, And  
Changes In Fund Balance - General Fund  
Year Ended June 30, 2001

	<u>Local</u>	<u>Newspaper</u>	<u>Office Rental</u>
<b>Revenues:</b>			
<b>Intergovernmental:</b>			
PCOA	\$ -	\$ -	\$ -
<b>Local and miscellaneous:</b>			
PMS Revenue	8,364	-	-
Parish council	21,912	-	-
Office rental	-	-	21,073
Newspaper	-	93,420	-
Wellness card	-	-	-
Light Bulb	-	-	-
Interest income	140	-	-
Project Care	6,897	-	-
City of Scott	5,600	-	-
Miles for meals	10,617	-	-
Fundraising	805	-	-
Match funds	7,600	-	-
Miscellaneous	2,602	-	-
Total revenues	<u>64,537</u>	<u>93,420</u>	<u>21,073</u>
<b>Expenditures:</b>			
<b>Current -</b>			
Salaries	-	32,884	-
Fringe	-	4,672	-
Travel	85	968	-
Operating services	6,514	51,379	5,825
Operating supplies	100	735	-
Other costs	54,995	526	-
Capital outlay	-	-	-
<b>Debt service -</b>			
Principal	-	-	9,382
Interest	-	-	512
Total expenditures	<u>61,694</u>	<u>91,164</u>	<u>15,719</u>
Excess (deficiency) of revenues over expenditures	<u>2,843</u>	<u>2,256</u>	<u>5,354</u>
<b>Other financing sources (uses):</b>			
Operating transfers in	6,611	-	-
Operating transfers out	<u>(37,635)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses):	<u>(31,024)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and sources over expenditures and other uses	(28,181)	2,256	5,354
Fund balance, beginning of year	<u>55,462</u>	<u>(9,254)</u>	<u>2,282</u>
Fund balance, end of year	<u>\$ 27,281</u>	<u>\$ (6,998)</u>	<u>\$ 7,636</u>

<u>Light Bulb</u>	<u>Wellness Card</u>	<u>PCOA Act 735</u>	<u>Total</u>
\$ -	\$ -	\$ 33,024	\$ 33,024
-	-	-	8,364
-	-	-	21,912
-	-	-	21,073
-	-	-	93,420
-	(1,411)	-	(1,411)
3,547	-	-	3,547
-	-	-	140
-	-	-	6,897
-	-	-	5,600
-	-	-	10,617
-	-	-	805
-	-	-	7,600
-	-	-	2,602
<u>3,547</u>	<u>(1,411)</u>	<u>33,024</u>	<u>214,190</u>
-	-	-	32,884
-	-	-	4,672
-	-	-	1,053
-	30	-	63,748
932	-	-	1,767
275	-	-	55,796
669	-	-	669
-	-	-	9,382
-	-	-	512
<u>1,876</u>	<u>30</u>	<u>-</u>	<u>170,483</u>
<u>1,671</u>	<u>(1,441)</u>	<u>33,024</u>	<u>43,707</u>
-	-	-	6,611
-	(226)	(33,024)	(70,885)
-	(226)	(33,024)	(64,274)
1,671	(1,667)	-	(20,567)
<u>(1,671)</u>	<u>4,724</u>	<u>-</u>	<u>51,543</u>
<u>\$ -</u>	<u>\$ 3,057</u>	<u>\$ -</u>	<u>\$ 30,976</u>

LAFAYETTE COUNCIL ON AGING, INC.

Combining Statement Of Revenues, Expenditures, And Changes In Fund Balances -  
All Special Revenue Funds  
Year Ended June 30, 2001

	Title III-B	Title III-C-1	Title III-C-2	Title III-F	Senior Center
<b>Revenues:</b>					
<b>Intergovernmental:</b>					
Governor's Office of Elderly Affairs	\$ 124,294	\$ 24,837	\$ 41,587	\$ 5,081	\$ 75,822
National Senior Citizens Education and Research Center	-	-	-	-	-
Corporation for National and Community Service	-	-	-	-	-
Department of Transportation and Development	-	-	-	-	-
FEMA - Emergency Fund	-	-	-	-	-
United Way of Acadiana Program	18,515	11,258	41,574	-	-
Local and miscellaneous	-	-	3,717	-	2,902
In-kind	-	-	-	-	-
<b>Total revenues</b>	<u>142,809</u>	<u>36,095</u>	<u>86,878</u>	<u>5,081</u>	<u>78,724</u>
<b>Expenditures:</b>					
<b>Current:</b>					
Salaries	193,095	40,076	130,841	-	9,054
Fringe	22,950	4,997	15,067	-	1,078
Travel	8,634	921	24,350	-	25
Operating services	34,469	6,283	23,832	400	10,695
Operating supplies	10,671	1,187	4,156	555	115
Other costs	7,129	713	2,570	-	-
Capital outlay	-	-	-	4,352	-
In-kind	-	-	-	-	-
<b>Total expenditures</b>	<u>276,948</u>	<u>54,177</u>	<u>200,816</u>	<u>5,307</u>	<u>20,967</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(134,139)</u>	<u>(18,082)</u>	<u>(113,938)</u>	<u>(226)</u>	<u>57,757</u>
<b>Other financing sources (uses):</b>					
Operating transfers in	134,139	18,082	113,938	226	-
Operating transfers out	-	-	-	-	(57,757)
<b>Total other financing sources (uses)</b>	<u>134,139</u>	<u>18,082</u>	<u>113,938</u>	<u>226</u>	<u>(57,757)</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	-	-	-	-	-
<b>Fund balances (deficit), beginning of year</b>	-	-	-	-	-
<b>Fund balances (deficit), end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Ombudsman</u>	<u>Supplemental Senior Center</u>	<u>Title V - Senior AIDES</u>	<u>Foster Grandparents</u>	<u>Broussard House</u>	<u>United Givers</u>	<u>Elderly Housing Management</u>	<u>Family Caring Network</u>	<u>FEMA</u>
\$ 16,419	\$ 4,158	\$ -	\$ 20,776	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	613,112	-	-	-	-	-	-
-	-	-	316,695	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	11,707
-	-	-	-	-	50,748	-	-	-
-	-	-	-	-	-	-	-	-
-	-	40,430	3,745	13,125	-	98,737	5,081	-
-	-	75,202	46,735	-	-	-	-	-
<u>16,419</u>	<u>4,158</u>	<u>728,744</u>	<u>387,951</u>	<u>13,125</u>	<u>50,748</u>	<u>98,737</u>	<u>5,081</u>	<u>11,707</u>
11,620	-	554,720	47,413	4,074	-	11,820	-	-
1,221	-	56,100	7,174	505	-	2,131	-	-
2,743	-	2,995	22,717	65	-	254	-	-
1,461	-	33,213	6,488	13,522	-	164	-	-
108	-	2,617	2,953	25	-	13	-	-
225	-	-	226,413	1,995	-	-	2,269	9,080
-	-	1,418	1,214	-	-	-	-	-
-	-	75,202	46,735	-	-	-	-	-
<u>17,378</u>	<u>-</u>	<u>726,265</u>	<u>361,107</u>	<u>20,186</u>	<u>-</u>	<u>14,382</u>	<u>2,269</u>	<u>9,080</u>
<u>(959)</u>	<u>4,158</u>	<u>2,479</u>	<u>26,844</u>	<u>(7,061)</u>	<u>50,748</u>	<u>84,355</u>	<u>2,812</u>	<u>2,627</u>
959	-	-	134	-	-	-	-	-
-	(4,158)	-	-	-	(50,748)	(104,085)	-	-
<u>959</u>	<u>(4,158)</u>	<u>-</u>	<u>134</u>	<u>-</u>	<u>(50,748)</u>	<u>(104,085)</u>	<u>-</u>	<u>-</u>
-	-	2,479	26,978	(7,061)	-	(19,730)	2,812	2,627
-	-	24,568	52,882	11,314	-	31,485	14,136	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,047</u>	<u>\$ 79,860</u>	<u>\$ 4,253</u>	<u>\$ -</u>	<u>\$ 11,755</u>	<u>\$ 16,948</u>	<u>\$ 2,627</u>

LAFAYETTE COUNCIL ON AGING, INC.

Combining Statement Of Revenues, Expenditures, And Changes In Fund Balances -  
All Special Revenue Funds (Continued)  
Year Ended June 30, 2001

	Title XIX	Community Base Program	Health Prevention	Senior Olympics	Transportation Options Management	Section 5310	Total
<b>Revenues:</b>							
<b>Intergovernmental:</b>							
Governor's Office of Elderly Affairs	\$ -	\$ -	\$ 9,697	\$ -	\$ -	\$ -	\$ 322,671
National Senior Citizens Education and Research Center	-	-	-	-	-	-	613,112
Corporation for National and Community Service	-	-	-	-	-	-	316,695
Department of Transporation and Development	-	-	-	-	-	54,178	54,178
FEMA	-	-	-	-	-	-	11,707
United Way of Acadianna Program	-	-	-	-	-	-	50,748
Local and miscellaneous In-kind	3,720	1,014	-	14,855	47,414	-	234,740
	-	-	-	-	-	-	121,937
<b>Total revenues</b>	<u>3,720</u>	<u>1,014</u>	<u>9,697</u>	<u>14,855</u>	<u>47,414</u>	<u>54,178</u>	<u>1,797,135</u>
<b>Expenditures:</b>							
<b>Current -</b>							
Salaries	-	615	6,236	1,335	26,109	-	1,037,008
Fringe	-	93	795	116	2,947	-	115,174
Travel	-	-	84	322	-	-	63,110
Operating services	117	-	1,452	1,743	14,185	-	148,024
Operating supplies	-	-	230	4,739	8,417	-	35,786
Other costs	-	-	900	1,151	-	-	252,445
Capital outlay	-	-	-	-	-	67,722	74,706
In-kind	-	-	-	-	-	-	121,937
<b>Total expenditures</b>	<u>117</u>	<u>708</u>	<u>9,697</u>	<u>9,406</u>	<u>51,658</u>	<u>67,722</u>	<u>1,848,190</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>3,603</u>	<u>306</u>	<u>-</u>	<u>5,449</u>	<u>(4,244)</u>	<u>(13,544)</u>	<u>(51,055)</u>
<b>Other financing sources (uses):</b>							
Operating transfers in	-	-	-	-	-	13,544	281,022
Operating transfers out	-	-	-	-	-	-	(216,748)
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,544</u>	<u>64,274</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	3,603	306	-	5,449	(4,244)	-	13,219
<b>Fund balances (deficit), beginning of year</b>	<u>(16,298)</u>	<u>1,257</u>	<u>-</u>	<u>10,595</u>	<u>7,989</u>	<u>-</u>	<u>137,928</u>
<b>Fund balances (deficit), end of year</b>	<u>\$ (12,695)</u>	<u>\$ 1,563</u>	<u>\$ -</u>	<u>\$ 16,044</u>	<u>\$ 3,745</u>	<u>\$ -</u>	<u>\$ 151,147</u>

LAFAYETTE COUNCIL ON AGING, INC.

Statement Of Expenditures And Other Financing Uses -  
Budget And Actual - Contracts And Grants Provided Through The  
Louisiana Governor's Office Of Elderly Affairs (GOEA)  
Year Ended June 30, 2001

	<u>Budgeted</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>PCOA-Act 735</u>			
Transfer out to:			
Title III-B	\$ 33,024	\$ 33,024	\$ -
<u>Title III-B</u>			
Salaries	\$ 192,762	\$ 193,095	\$ (333)
Fringe	22,637	22,950	(313)
Travel	11,350	8,634	2,716
Operating services	33,288	34,469	(1,181)
Operating supplies	10,731	10,671	60
Other costs	5,504	7,129	(1,625)
	<u>\$ 276,272</u>	<u>\$ 276,948</u>	<u>\$ (676)</u>
<u>Title III-C-1</u>			
Salaries	\$ 41,693	\$ 40,076	\$ 1,617
Fringe	4,898	4,997	(99)
Travel	1,618	921	697
Operating services	5,770	6,283	(513)
Operating supplies	1,522	1,187	335
Other costs	713	713	-
	<u>\$ 56,214</u>	<u>\$ 54,177</u>	<u>\$ 2,037</u>
<u>Title III-C-2</u>			
Salaries	\$ 130,285	\$ 130,841	\$ (556)
Fringe	15,290	15,067	223
Travel	25,689	24,350	1,339
Operating services	24,164	23,832	332
Operating supplies	3,731	4,156	(425)
Other costs	2,558	2,570	(12)
	<u>\$ 201,717</u>	<u>\$ 200,816</u>	<u>\$ 901</u>

LAFAYETTE COUNCIL ON AGING, INC.

Statement Of Expenditures And Other Financing Uses -  
 Budget And Actual - Contracts And Grants Provided Through The  
 Louisiana Governor's Office Of Elderly Affairs (GOEA) (Continued)  
 Year Ended June 30, 2001

	<u>Budgeted</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Title III-F</u>			
Operating services	\$ 400	\$ 400	\$ -
Operating supplies	125	555	(430)
Capital outlay	<u>4,556</u>	<u>4,352</u>	<u>204</u>
	<u>\$ 5,081</u>	<u>\$ 5,307</u>	<u>\$ (226)</u>
<u>Senior Center</u>			
Salaries	\$ 8,571	\$ 9,054	\$ (483)
Fringe	781	1,078	(297)
Travel	100	25	75
Operating services	11,290	10,695	595
Operating supplies	100	115	(15)
Transfer out to: Title III-B	<u>57,757</u>	<u>57,757</u>	<u>-</u>
	<u>\$ 78,599</u>	<u>\$ 78,724</u>	<u>\$ (125)</u>
<u>Ombudsman</u>			
Salaries	\$ 11,613	\$ 11,620	\$ (7)
Fringe	1,362	1,221	141
Travel	3,042	2,743	299
Operating services	1,410	1,461	(51)
Operating supplies	116	108	8
Other costs	<u>225</u>	<u>225</u>	<u>-</u>
	<u>\$ 17,768</u>	<u>\$ 17,378</u>	<u>\$ 390</u>
<u>Supplemental Senior Center</u>			
Transfer out to: Title III-B	<u>\$ 4,158</u>	<u>\$ 4,158</u>	<u>\$ -</u>
<u>Health Prevention</u>			
Salaries	\$ 6,236	\$ 6,236	\$ -
Fringe	627	795	(168)
Travel	84	84	-
Operating services	1,620	1,452	168
Operating supplies	230	230	-
Other costs	<u>900</u>	<u>900</u>	<u>-</u>
	<u>\$ 9,697</u>	<u>\$ 9,697</u>	<u>\$ -</u>

INTERNAL CONTROL, COMPLIANCE,  
AND  
OTHER GRANT INFORMATION



# Darnall, Sikes & Frederick<sup>SM</sup>

(A Corporation of Certified Public Accountants)

## Independent Auditor's Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit of General Purpose Financial Statements Performed In Accordance With Government Auditing Standards

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Abbeville, LA 70510  
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The Board of Directors  
Lafayette Council on Aging, Inc.  
Lafayette, Louisiana

We have audited the general purpose financial statements of the Lafayette Council on Aging, Inc., as of and for the year ended June 30, 2001, and have issued our report thereon dated October 26, 2001. 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; and Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

### Compliance

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

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Lafayette Council on Aging, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions.

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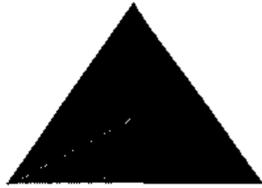
Reportable conditions include matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Lafayette Council on Aging, Inc.'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable conditions are described in the accompanying Schedule Of Findings And Questioned Costs as Items 01-1, 01-2, 01-3, and 01-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control structure over financial reporting would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable conditions described above as 01-1, 01-2, and 01-3 are material weaknesses.

This report is intended solely for the information and use of the Board of Directors, Management, others within the Organization and federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.

*Dannall, Sikes & Frederick*  
A Corporation of Certified Public Accountants

Lafayette, Louisiana  
October 26, 2001



# Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

## Independent Auditor's Report On Compliance With Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133

The Board of Directors  
Lafayette Council on Aging, Inc.  
Lafayette, Louisiana

### Compliance

We have audited the compliance of Lafayette Council on Aging, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2001. Lafayette Council on Aging, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Lafayette Council on Aging, Inc.'s management. Our responsibility is to express an opinion on the Lafayette Council on Aging, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *"Audits of States, Local Governments, and Non-Profit Organizations."* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Lafayette Council on Aging, Inc.'s compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Lafayette Council on Aging, Inc.'s compliance with those requirements.

In our opinion, the Lafayette Council on Aging, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.

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Society of Louisiana  
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## Internal Control Over Compliance

The management of the Lafayette Council on Aging, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Lafayette Council on Aging, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect Lafayette Council on Aging, Inc.'s ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants.

The reportable conditions are described in the accompanying schedule of findings and questioned costs as items 01-1, 01-2, 01-3, and 01-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level, the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are considered to be material weaknesses. However, we consider the reportable conditions described in the accompanying schedule of findings and questioned costs as items 01-1, 01-2, and 01-3 to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, Management, others within the Organization and federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.

*Dannall, Sikes & Frederick*

A Corporation of Certified Public Accountants

Lafayette, Louisiana  
October 26, 2001

LAFAYETTE COUNCIL ON AGING, INC.

Schedule Of Expenditures Of Federal Awards  
Year Ended June 30, 2001

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>	<u>Amounts to Subrecipients</u>
<u>Department of Health &amp; Human Services</u>			
Passed through the Louisiana Governor's Office of Elderly Affairs:			
Title III-B Supportive services	93.044	\$ 124,294	\$ -
Title III-C-1 Congregate meals	93.045	24,837	-
Title III-C-2 Home-delivered meals	93.045	41,587	-
Title VII - Chapter 2 - Ombudsman	93.042	16,419	-
Title III-F Preventive Health Services	93.043	5,081	-
Health Prevention		<u>9,697</u>	-
		<u>221,915</u>	-
 <u>Corporation for National Service</u>			
Foster Grandparents Program	72.001	316,695	-
 <u>Department of Labor</u>			
Passed-through the National Senior Citizens Education and Research Center:			
Title V- Senior AIDES	17.235	613,112	-
 <u>Federal Emergency Management Agency</u>			
Passed-through United Way of Acadiana:			
Emergency Food and Shelter Program	83.523	9,080	-
 <u>Department of Transportation and Development</u>			
Passed-through the Louisiana Department of Transportation and Development			
Section 5310 Program, Project #LA-16-0026, State Project #736-99-0730	20.513	54,178	-
 <u>Department of Housing and Urban Development</u>			
Section 8 - Housing Assistance Payments Program - Special Allocations			
	14.195	<u>134,654</u>	-
		<u>\$ 1,349,634</u>	<u>\$ -</u>

NOTE 1 BASIS OF PRESENTATION

The above schedule of expenditures of federal awards includes the federal grant activity of the Lafayette Council on Aging, Inc. and is presented on the same basis of accounting as described in Note 1 to the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

**OTHER SUPPLEMENTARY INFORMATION**

LAFAYETTE COUNCIL ON AGING, INC.

Schedule Of Changes In General Fixed Assets  
Year Ended June 30, 2001

	Balance June 30, 2000	Additions	Deletions	Balance June 30, 2001
<b>General fixed assets, at cost:</b>				
Buildings	\$ 516,055	\$ -	\$ -	\$ 516,055
Land	60,000	-	-	60,000
Leasehold improvements	28,911	-	-	28,911
Furniture and fixtures	121,160	6,984	47,720	80,424
Vehicles	147,995	67,722	5,886	209,831
<b>Total general fixed assets</b>	<b><u>\$ 874,121</u></b>	<b><u>\$ 74,706</u></b>	<b><u>\$ 53,606</u></b>	<b><u>\$ 895,221</u></b>
<b>Investments in general fixed assets:</b>				
Title III-B	\$ 310	\$ -	\$ 310	\$ -
Title III-C-1	1,713	-	521	1,192
Title III-C-2	1,401	-	880	521
Senior Center	11,228	-	4,792	6,436
Local	723,217	13,544	42,625	694,136
Title III-G	1,215	-	1,215	-
Title III-F	24,855	4,352	1,179	28,028
Foster Grandparents Program	4,203	1,214	294	5,123
Title XIX	3,354	-	1,790	1,564
Title V	-	1,418	-	1,418
Elderly Housing Management	47,373	-	-	47,373
Capital Assistance	54,154	54,178	-	108,332
Senior Olympics	1,098	-	-	1,098
<b>Total investment in general     fixed assets</b>	<b><u>\$ 874,121</u></b>	<b><u>\$ 74,706</u></b>	<b><u>\$ 53,606</u></b>	<b><u>\$ 895,221</u></b>

LAFAYETTE COUNCIL ON AGING, INC.

Schedule Of Disbursements To Board Members  
Year Ended June 30, 2001

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

LAFAYETTE COUNCIL ON AGING, INC.

Summary Schedule Of Prior Year Findings  
Year Ended June 30, 2001

- 00-1 Finding: Concentration of Credit Risk
- Status: This finding has been resolved. The Council has adequate securities pledged to secure deposits in excess of the federal deposit insurance limit.
- 00-2 Finding: Violation of LA RS-39:1225
- Status: See response to finding 00-1 above.
- ML-1 Finding:
- Upon beginning the initial auditing procedures on the Title V – Senior Aides Program it was noted that a few of the general ledger balances did not reconcile to the supporting documentation. Upon investigation of these differences, it was determined that the supporting schedules and documents were adjusted to reflect the correct balances, however, the general ledger was not adjusted accordingly. Therefore, the audit began using unadjusted balances.
- Status:
- This finding has been resolved. The general ledger balances reconciled to the supporting documentation in the current year's audit.
- ML-2 Finding:
- Woodvale Place Apartments requires each tenant to submit a security deposit upon taking residency. The money is deposited into a separate, non-interest bearing checking account. Therefore, the amount due the tenants should be equal to the amount in the checking account. However, the cash balance is \$26,328.26 and the amount due the tenants per the deposit payable schedule is \$20,549. The balance in the deposit payable account per the general ledger is \$20,811.11.
- Status:
- This finding is unresolved. See current year finding 01-2.
- ML-3 Finding
- During the course of the audit of the financial statements of Woodvale Place Apartments, it was noted that several significant coding errors were made in the general ledger.
- Status:
- This finding is unresolved. See current year finding 01-3.

LAFAYETTE COUNCIL ON AGING, INC.

Summary Schedule Of Prior Year Findings  
Year Ended June 30, 2001  
(Continued)

ML-4 Finding:

It appears that the financial statements of Woodvale are being maintained by two sources, the outside accountants and the in-house accountants. Per conversation with the outside accountant, at the end of the year, the revenue and expense accounts were adjusted to coincide with the in-house accountants revenues and expenses, without support for the adjustments.

Status:

This finding is partially resolved. There were no adjustments made in the current year without adequate supporting documentation, however, the financial statements maintained by the outside accountant and inside accountant still do not reconcile. See current year finding 01-4.

LAFAYETTE COUNCIL ON AGING, INC.

Schedule Of Findings And Questioned Costs  
Year Ended June 30, 2001

Part 1 Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report

An unqualified opinion has been issued on the Lafayette Council on Aging, Inc.'s financial statements as of and for the year ended June 30, 2001.

Reportable Conditions - Financial Reporting

Four reportable conditions in internal control over financial reporting were disclosed during the audit of the financial statements and are shown as items 01-1, 01-2, 01-3, and 01-4 in Part 2, of which, 01-1, 01-2, and 01-3 are considered material weaknesses.

Material Noncompliance - Financial Reporting

There were no material instances of noncompliance material to the financial statements disclosed during the audit of the financial statements.

FEDERAL AWARDS

Major Programs' Identification

The Lafayette Council on Aging, Inc. at June 30, 2001, had two major programs: Title V - Senior AIDES, which received funds from the Department of Labor "passed-through" the National Senior Citizens Education and Research Center and the Section 8 Housing Assistance Payments Program, which received funds from the Department of Housing and Urban Development.

Low-Risk Auditee

The Lafayette Council on Aging, Inc. is not considered a low-risk auditee for the year ended June 30, 2001.

Major Programs - Threshold

The dollar threshold to distinguish Type A and Type B programs is \$300,000 for the year ended June 30, 2001.

Auditor's Report - Major Programs

An unqualified opinion has been issued on the Lafayette Council on Aging, Inc.'s compliance for its major programs as of and for the year ended June 30, 2001.

LAFAYETTE COUNCIL ON AGING, INC.

Schedule Of Findings And Questioned Costs  
Year Ended June 30, 2001  
(Continued)

Part 1 Reportable Conditions - Major Programs

There were four reportable conditions as shown in Part 3 as items 01-1, 01-2, 01-3, and 01-4 noted during the audit of the major federal programs. Of these, 01-1, 01-2, and 01-3 are considered to be material weaknesses.

Compliance Finding Related to Major Programs

The audit did not disclose any material noncompliance or questioned costs relative to its federal program.

Part 2 Findings Relating to an Audit in Accordance with Government Auditing Standards

01-1 Individual Segregation of Accounting Functions

Finding:

Due to the small number of accounting personnel, the Council did not have adequate segregation of functions within the accounting system associated with Woodvale Apartment Complex.

Recommendation:

Based on the size of the operation and the cost benefit of additional accounting personnel, it may not be feasible to achieve complete segregation of duties.

01-2 Security Deposit Discrepancies

Finding:

Woodvale Place Apartments requires each tenant to submit a security deposit upon taking residency. The money is deposited into a separate, non-interest bearing checking account. Therefore, the amount due the tenants should be equal to the amount in the checking account. However, the cash balance is \$27,903.00 and the amount due the tenants per the deposit payable schedule is \$23,363. The balance in the deposit payable account per the general ledger is \$23,712.

Recommendation:

A schedule of deposit payable, by unit, must be maintained current at all times. The amount in the cash account for deposits should be reconciled to the liability. Any differences should be investigated and reconciled promptly.

LAFAYETTE COUNCIL ON AGING, INC.

Schedule Of Findings And Questioned Costs  
Year Ended June 30, 2001  
(Continued)

01-3 Coding Errors

Finding:

During the course of the audit of the financial statements of Woodvale, it was noted that significant coding errors were made in the general ledger.

Recommendation:

Care should be taken to assure that financial information is complete, accurate, and timely. Information should be reviewed by appropriate personnel.

01-4 Discrepancies In Financial Reports

It appears that the financial statements of Woodvale Place Apartments are being maintained by two sources, the outside accountants and the in-house accountants. The books, however, do not coincide with each other.

Recommendation:

If two sets of books are going to be maintained, they should be reconciled monthly to insure every account balance coincides on each set of books. Any differences should be investigated and reconciled at that time.

LAFAYETTE COUNCIL ON AGING, INC.

Schedule Of Findings And Questioned Costs  
Year Ended June 30, 2001  
(Continued)

Part 3 Findings and Questioned Costs Relating to the Federal Programs

01-1 See description of finding in Part 2.

01-2 See description of finding in Part 2.

01-3 See description of finding in Part 2.

01-4 See description of finding in Part 2.

**LAFAYETTE COUNCIL ON AGING, INC.**

**Management's Corrective Action Plan For Current Year Endings  
Year Ended June 30, 2001**

**Response to Finding 01-1:**

**No response is considered necessary.**

**Response to Finding 01-2:**

**The Council will maintain a schedule of deposits payable, by unit, current at all times and the cash account for deposits should be reconciled to the liability.**

**Response to Finding 01-3:**

**The Council will take more care to assure that financial information is complete, accurate and timely and the information will be reviewed by appropriate personnel.**

**Response to Finding 01-4:**

**The Council will reconcile the two sets of books monthly with any differences being investigated and reconciled at that time.**