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OUACHITA COUNCIL ON AGING, INC.
MONROE, LOUISIANA

FINANCIAL STATEMENTS
June 30, 2000

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 04/04/01

Marsha O. Millican
Certified Public Accountant
Shreveport, Louisiana

OUACHITA COUNCIL ON AGING, INC.

Table of Contents
June 30, 2000

	<u>EXHIBIT/ SCHEDULE</u>	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT		1-2
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP	EXHIBIT A	3
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES	EXHIBIT B	4
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND	EXHIBIT C	5
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - SPECIAL REVENUE FUNDS	EXHIBIT D	6
NOTES TO FINANCIAL STATEMENTS		7-20
SUPPLEMENTARY INFORMATION:		
STATEMENT OF PROGRAM REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND	SCHEDULE 1	21
COMBINING STATEMENT OF PROGRAM REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- SPECIAL REVENUE FUNDS	SCHEDULE 2	22
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS	SCHEDULE 3	23-27
SCHEDULE OF PRIORITY SERVICES - TITLE III, PART B - GRANT FOR SUPPORTIVE SERVICES	SCHEDULE 4	28
STATEMENT OF GENERAL FIXED ASSETS AND CHANGES IN GENERAL FIXED ASSETS	SCHEDULE 5	29
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	SCHEDULE 6	30
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS		31

(Continued)

OUACHITA COUNCIL ON AGING INC.

Table of Contents (Continued)

June 30, 2000

	<u>EXHIBIT/ SCHEDULE</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>		32-33
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		34-35
SCHEDULE OF FINDINGS AND QUESTIONED COSTS		36-39
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS		40
DATA COLLECTION FORM		41-44
MANAGEMENT LETTER		45-46

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ouachita Council on Aging, Inc.
Monroe, Louisiana

I have audited the accompanying general purpose financial statements of Ouachita Council on Aging, Inc., as of and for the year ended June 30, 2000. These general purpose financial statements are the responsibility of Ouachita Council on Aging, Inc., management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Ouachita Council on Aging, Inc. as of June 30, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated March 24, 2001 on my consideration of Ouachita Council on Aging, Inc.'s internal control structure and on its compliance with laws and regulations.

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

Manda D. Milburn

Certified Public Accountant
March 24, 2001

OUACHITA COUNCIL ON AGING, INC.Combined Balance Sheet - All Fund Types and Account Group
June 30, 2000

	<u>Governmental Fund Types</u>		<u>Account Group</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>General Fixed Assets</u>	
<u>ASSETS</u>				
Cash and cash equivalents	\$152,585	\$ 1,315	\$ -	\$ 153,900
Certificate of deposit	409,500	-	-	409,500
Contracts receivable	25,563	-	-	25,563
General fixed assets	-	-	601,904	601,904
Total assets	<u>\$587,648</u>	<u>\$ 1,315</u>	<u>\$ 601,904</u>	<u>\$ 1,190,867</u>
<u>LIABILITIES AND FUND EQUITY</u>				
LIABILITIES:				
Accounts payable	\$ 41,632	\$ -	\$ -	\$ 41,632
Payroll taxes payable	1,091	-	-	1,091
Total liabilities	<u>42,723</u>	<u>-</u>	<u>-</u>	<u>42,723</u>
FUND EQUITY:				
Investments in general fixed assets	-	-	601,904	601,904
Fund Balances:				
Reserved for FEMA	-	154	-	154
Reserved for Utility Assistance	-	1,161	-	1,161
Reserved for Capital Additions	499,560	-	-	499,560
Unreserved - undesignated	45,365	-	-	45,365
Total fund equity	<u>544,925</u>	<u>1,315</u>	<u>601,904</u>	<u>1,148,144</u>
Total liabilities and fund equity	<u>\$587,648</u>	<u>\$ 1,315</u>	<u>\$ 601,904</u>	<u>\$ 1,190,867</u>

The accompanying notes are an integral part of this statement.

OUACHITA COUNCIL ON AGING, INC.

Combined Statement of Revenues, Expenditures and Changes in Fund Balance -
 All Governmental Fund Types
For the Year Ended June 30, 2000

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
REVENUES:			
Intergovernmental	\$ 70,915	\$ 957,201	\$ 1,028,116
Public support	181,550	112,118	293,668
Program service fees	55,631	-	55,631
Miscellaneous	4,500	-	4,500
Interest	11,658	102	11,760
Sale of Assets	405,000	-	405,000
In-kind contributions	-	30,572	30,572
Total revenues	<u>729,254</u>	<u>1,099,993</u>	<u>1,829,247</u>
EXPENDITURES:			
Salaries	3,160	447,080	450,240
Fringe	253	63,648	63,901
Travel	1,289	49,403	50,692
Operating services	4,214	158,008	162,222
Operating supplies	-	28,029	28,029
Other costs	32,337	26,264	58,601
Meals	-	437,955	437,955
Capital outlay	93,903	-	93,903
Utility assistance	-	21,594	21,594
Grants to subrecipient	-	131,745	131,745
Total expenditures	<u>135,156</u>	<u>1,363,726</u>	<u>1,498,882</u>
Excess (deficiency) of revenues over expenditures	594,098	(263,733)	330,650
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	476,872	476,872
Operating transfers out	<u>(262,269)</u>	<u>(214,603)</u>	<u>(476,872)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	331,829	(1,464)	330,365
FUND BALANCE:			
Beginning of year	213,096	2,779	215,875
End of year	<u>\$ 544,925</u>	<u>\$ 1,315</u>	<u>\$ 546,240</u>

The accompanying notes are an integral part of this statement.

OUACHITA COUNCIL ON AGING, INC.

Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual - General Fund
For the Year Ended June 30, 2000

	Variance Favorable (Unfavorable)	<u>Budget</u>	<u>Actual</u>
<u>REVENUES:</u>			
Intergovernmental	\$(739)	\$ 71,654	\$ 70,915
Public support	(23,146)	277,054	181,550
Program service fees	55,631	-	55,631
Miscellaneous	4,500	-	4,500
Interest	11,658	-	11,658
Sale of assets	405,000	-	405,000
In-kind contributions	-	-	-
Total revenues	<u>380,546</u>	<u>348,708</u>	<u>729,254</u>
<u>EXPENDITURES:</u>			
Salaries	2,340	5,500	3,160
Fringe	247	500	253
Travel	(189)	1,100	1,289
Operating services	1,786	6,000	4,214
Operating supplies	-	-	-
Other costs	(32,337)	-	32,337
Capital outlay	<u>9,347</u>	<u>103,250</u>	<u>93,903</u>
Total expenditures	<u>(18,806)</u>	<u>116,350</u>	<u>135,156</u>
Excess (deficiency) of revenues over expenditures	361,740	232,358	594,098
<u>OTHER FINANCING SOURCES (USES):</u>			
Operating transfers in	-	-	-
Operating transfers out	<u>(29,911)</u>	<u>(232,358)</u>	<u>(262,269)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	331,829	-	331,829
<u>FUND BALANCE:</u>			
Beginning of year	<u>-</u>	<u>213,096</u>	<u>213,096</u>
End of year	<u>\$ 331,829</u>	<u>\$ 213,096</u>	<u>\$ 544,925</u>

The accompanying notes are an integral part of this statement.

OUACHITA COUNCIL ON AGING, INC.

Exhibit D.

Combined Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual - Special Revenue Funds
For the Year Ended June 30, 2000

<u>REVENUES:</u>	Variance Favorable (Unfavorable)	<u>Budget</u>	<u>Actual</u>
Intergovernmental	\$(120,210)	\$ 1,077,411	\$ 957,201
Public support	(21,905)	134,023	112,118
In-Kind contributions	30,572	-	30,572
Interest income	42	60	102
Total revenues	<u>(111,501)</u>	<u>1,211,494</u>	<u>1,099,993</u>
 <u>EXPENDITURES:</u>			
Salaries	61,668	508,748	447,080
Fringe	(7,969)	55,679	63,648
Travel	3,493	52,896	49,403
Operating service	33,003	191,011	158,008
Operating supplies	9,334	37,363	28,029
Other costs	4,446	30,710	26,264
Meals	(24,755)	413,200	437,955
Capital outlay	-	-	-
Utility assistance	906	22,500	21,594
Grants to subrecipient	-	131,745	131,745
Total expenditures	<u>80,126</u>	<u>1,443,852</u>	<u>1,363,726</u>
Excess (deficiency) of revenues over expenditures	(31,375)	(232,358)	(263,733)
 <u>OTHER FINANCING SOURCES (USES):</u>			
Operating transfers in	18,680	458,192	476,872
Operating transfers out	<u>11,231</u>	<u>(225,834)</u>	<u>(214,603)</u>
Excess of revenues and other sources over expenditures and other uses	(1,464)	-	(1,464)
 <u>FUND BALANCE:</u>			
Beginning of year	<u>-</u>	<u>2,779</u>	<u>2,779</u>
End of year	<u>\$(1,464)</u>	<u>\$ 2,779</u>	<u>\$ 1,315</u>

The accompanying notes are an integral part of this statement.

1 215

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Statement of Presentation

The accompanying financial statements conform to generally accepted accounting principles as applicable to governmental units.

B. Reporting Entity

In 1964, the State of Louisiana passed Act 456 which authorized the charter of voluntary councils on aging for the welfare of the aging people in their respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. Ouachita Council on Aging, Inc. is a non-profit corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the Council with most of its revenues. The Council also receives revenues from other federal, state, and local government agencies which may impose certain restrictions upon how the Council can use the money that they have provided.

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

The primary function of Ouachita Council on Aging, Inc. is to improve the quality of life for the parish's elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Such services include providing meals, nutritional education, information and referral services, legal assistance, homemaker services, operating senior centers, and transportation. A Board of Directors, consisting of 15 voluntary members who serve three-year terms, governs the Council.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting:

The accounts of the Council are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled. The various funds presented in the financial statements in this report are as follows:

Governmental Fund Types

Governmental funds are those through which most governmental functions of the Council are financed. The acquisition, use, and balances of the Council's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. 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.

The following types of programs comprise the Council's General Fund:

Local

Local funds are received from various local sources; such funds not being restricted to any special use.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Types (Continued)

Local (Continued)

The Council's program participants also generate revenues through a variety of fund raising activities that are not sponsored by any particular grant award. Revenues and expenses relating to these activities are accounted for as part of the General Fund's local program.

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 on Aging. The Council may use these "Act 735" funds at its discretion.

Medicaid

This is a program where the Council completes enrollment application for people wanting to apply for Medicaid services. The Council is paid \$14 per application it completes by the Department of Health and Hospitals. Any funds remaining after applying direct costs to operate the program are available for discretionary use by management.

The Council also acts as a coordinator of services for people who are home-bound and in need of services similar to those provided in a nursing home. Rather than have the person sent to a nursing home, the Council coordinates necessary services and is paid a fee by Medicaid for performing the case management function.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following are the funds which comprise the Council's Special Revenue Funds:

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements

June 30, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adult Day Care

Adult Day Care provides direct care for five or more hours in a twenty-four hour week day to individuals who are physically and/or mentally impaired. The target group is those individuals who need direct professional medical supervision or personal care supervision. A requirement for program eligibility is that such individuals would require Intermediate Care or Skilled Nursing services were they not enrolled in an Adult Day Health Care Center.

Title III-C Area Agency Administration Fund

The Title III-C Area Agency Administration Fund is used to account for some of the administrative costs associated with operating the special programs for the aging.

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 "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.

Title III C-1 Congregate Meals Fund

Title III C-1 funds are provided by the United States Department of Health and Human Services to the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. These funds are used to provide nutritional congregate meals to the elderly in strategically located centers.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements

June 30, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. These funds are used to provide nutritional meals to home-bound older persons.

U.S.D.A. Fund

The U.S.D.A. Fund is used to account for the administration of the Food Distribution Program fund provided by the United States Department of Agriculture through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This program reimburses the service provider on a per unit basis for each congregate and home-delivered meal served to an eligible participant so that United States food and commodities may be purchased to supplement these programs.

Title III-D Fund

The III-D Fund is used to account for funds which are used to provide in-home services to frail, older individuals, including in-home supportive services for older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain disorders, and to the families of such victims. Title III-D 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.

Utility Assistance Fund

The Utility Assistance Fund is used to account for the administration of programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the Louisiana Association of Councils on Aging (LACOA) which in turn remits funds relating to Ouachita Council on Aging, Inc. to the Council so that it can provide assistance to the elderly for the payment of their utility bills.

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements

June 30, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Audit Fund

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

Title III, Part F

The III, Part F fund is used to account for funds which are used for disease prevention and health promotion activities.

Supplemental Senior Center Fund

The Louisiana Legislature appropriated additional money for various councils on aging through the state to be used to supplement the primary state grant for senior centers. Ouachita Council on Aging, Inc. was one of the parish councils to receive a supplemental grant. These funds are "passed through" the Governor's Office of Elderly Affairs.

D. Account Group:

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 account group is not a "fund".

General Fixed Assets

The fixed assets (capital outlays) used in governmental fund type operations of Ouachita 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.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements

June 30, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Basis of Accounting:

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. All grant revenue is considered susceptible to accrual. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

F. Transfers:

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 accounted for through the various due from and due to accounts.

G. Budget Policy:

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 budget is prepared on a basis consistent with generally accepted accounting principles.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Budget Policies: (Continued)

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

The adopted budget is forwarded to GOEA for final approval.

Actual amounts are compared to budgeted amounts periodically during the 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 grantor agency for funds received from that agency.

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

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.

H. Compensated Absence:

No liability is recorded for nonvesting accumulated rights to receive vacation or sick pay benefits.

I. Fixed Assets:

Assets which cost at least \$250 and which have an estimated useful life of greater than 1 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.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Reservation of Fund Balances:

The Council "reserves" portions of its fund balances that are legally restricted and are available only to meet future obligations.

K. Cash and Cash Equivalents:

The Council's policy is to include short-term interest bearing deposits with cash in the financial statements.

L. Investments:

Investments consist of certificates of deposit which are stated at cost, which approximates market.

M. 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.

N. Management's Use of Estimates:

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

2. REVENUE RECOGNITION

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. 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.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 2000

2. REVENUE RECOGNITION (Continued)

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.

Public Support and Miscellaneous Revenues

The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1, C-2 and D programs. In addition, various fund raisers 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.

3. BOARD OF DIRECTORS COMPENSATION

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

4. IN-KIND CONTRIBUTIONS

The Council received \$ 29,599 of in-kind contributions that have been valued at their estimated fair market value and recorded in the accounting records of the Council.

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

St Francis Medical Center and Glenwood
Regional Medical Center donated a total
of 17,939 meals to the Council for delivery
to home bound elderly. \$ 29,599

The Council received additional support through services contributed by volunteers that does not meet the criteria for recognition in as much as no objective basis is available to measure the value of such services and the donated services do not create a nonfinancial asset.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements

Year Ended June 30, 2000

5. CONTRACTS RECEIVABLE

Contracts receivable at June 30, 2000, are as follows:

USDA	\$	19,420
Audit Funds		4,765
Miscellaneous		1,378
Total	\$	<u>25,563</u>

All contracts receivable are fully collectible at June 30, 2000.

6. CHANGES IN FIXED ASSETS

A summary of general fixed assets account group is as follows:

	Balance July 1, 1999	Additions	Retirements	Balance June 30, 2000
Vans	\$ 236,833	\$ 32,076	\$ -	\$ 268,909
Leasehold Improvements	60,496	-	(60,496)	-
Furniture and Equipment	109,407	-	(27,876)	81,531
Land	172,679	1,675	-	174,354
Building	516,958	60,152	(500,000)	77,110
Totals	<u>\$1,096,373</u>	<u>\$ 93,903</u>	<u>\$(588,372)</u>	<u>\$ 601,904</u>

7. INCOME TAX STATUS

Ouachita Council on Aging, Inc. is an organization exempt from tax under Internal Revenue Code Section 501(c)(3). Accordingly, the financial statements contain no provision for income taxes.

8. 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. 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.

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OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 2000

9. INTERFUND TRANSFERS

Operating transfers in and out are listed by fund for the year ended June 30, 2000:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$ -	\$ 262,269
Special Revenue Funds:		
Title III C-1	37,449	-
Title III C-2	212,952	-
Title III B Supportive Services	104,207	-
Title III D In Home Services	3,537	-
Senior Center	89,100	-
Adult Day Care	26,892	-
Audit	2,735	-
USDA	-	111,403
Supple. Senior Center	-	103,200
Total - Special Revenue Funds	<u>476,872</u>	<u>214,603</u>
Total - All Funds	<u>\$ 476,872</u>	<u>\$ 479,872</u>

Operating transfers out by fund are as follows:

<u>General Fund</u>		
Adult Day Care		\$ 26,892
Title III C-2		138,998
Audit		2,735
Title III B Supportive Services		<u>93,644</u>
Total transfers out - General Fund		<u>\$ 262,269</u>
<u>USDA</u>		
Title III C-1		\$ 37,447
Title III C-2		<u>73,954</u>
Total transfers out - USDA		<u>\$ 111,403</u>
<u>Supple. Senior Center</u>		
Senior Center		\$ 89,100
Title III D		3,537
Title III B Supportive Services		<u>10,563</u>
Total transfers out - Supple. Senior Center		<u>\$ 103,200</u>

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 2000

10. DEPOSITS WITH FINANCIAL INSTITUTIONS

At June 30, 2000, the carrying amount of the Council's deposits was \$563,300 and the bank's balance was \$687,015. The difference is due to outstanding checks at June 30, 2000. Deposits totaling \$243,397 are collateralized by federal deposit insurance and deposits of \$443,617 are collateralized by securities held by the depository bank in the Council's name. State statutes authorize the Council to invest in United States bonds, treasury notes, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana. The Council's primary purpose for investing is to earn interest income on money that has been determined to be in excess of immediate cash requirements.

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

	<u>Bank Balance</u>
Category 1 Deposits insured or collateralized with securities held by the Council or by its agent in the Council's name.	\$ -
Category 2 Deposits collateralized with securities held by the pledging financial institution or agent in the Council's name.	443,617
Category 3 Deposits that are uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department, or agent, but not in the Council's name.	<u>-</u>
Total	<u>\$ 443,617</u>

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements

Year Ended June 30, 2000

12. 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.

13. SALE OF ASSETS:

On June 22, 2000, the Council sold the building it occupies at 1209 Oliver Road in Monroe, Louisiana to the City of Monroe for a sales price of \$405,000 and location expenses of \$4,500. The building was donated to the Council in January, 1998 at an appraisal value of \$500,000.

Schedule 1

OUACHITA COUNCIL ON AGING, INC.

Statement of Program Revenues, Expenditures and Changes in Fund
Balance
General Fund
For the Year Ended June 30, 2000

	<u>Local</u>	<u>PCOA (ACT 735)</u>	<u>Totals</u>
REVENUES			
Intergovernmental:			
Office of Elderly Affairs	\$ -	\$ 35,599	\$ 35,599
Ouachita Council on Govt.	9,655	-	9,655
Federal Transit Administration	25,661	-	25,661
Ouachita Parish Police Jury		-	
Public support:			
Unrestricted	166,731	-	166,731
Restricted	14,818	-	14,818
Program Service Fees	55,631	-	55,631
Sale of Assets	405,000	-	405,000
Miscellaneous	4,500	-	4,500
Interest	11,658	-	11,658
Total Revenues	<u>693,655</u>	<u>35,599</u>	<u>729,254</u>
EXPENDITURES			
Salaries	3,160	-	3,160
Fringe	253	-	253
Travel	1,289	-	1,289
Operating services	4,214	-	4,214
Operating supplies	-	-	-
Other costs	32,337	-	32,337
Capital outlay	93,903	-	93,903
Total expenditures	<u>135,156</u>	<u>-</u>	<u>135,156</u>
Excess of revenues over expenditures	558,499	35,599	594,098
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	-	-
Operating transfers out	<u>(226,670)</u>	<u>(35,599)</u>	<u>(262,269)</u>
Excess of revenues and other sources over expenditures and other uses	331,829	-	331,829
Beginning of year	<u>213,096</u>	<u>-</u>	<u>213,096</u>
End of year	<u>\$ 544,925</u>	<u>\$ -</u>	<u>\$ 544,925</u>

Schedule 2

Title III F	Senior Center	USDA	FEMA	Title XIX Adult Day Care	Utility Assistance Fund	Supple. Senior Center	Audit	Totals
\$ 7,200	\$ 90,452	\$111,403	\$ -	\$ -	\$ -	\$ 103,200	\$ 4,765	\$ 896,148
-	-	-	3,150	-	-	-	-	3,150
-	-	-	-	50,939	-	-	-	50,939
-	-	-	-	6,964	-	-	-	6,964
-	-	-	-	-	20,150	-	-	20,150
-	-	-	-	-	-	-	-	91,968
-	-	-	-	-	-	-	-	30,572
-	-	-	-	-	102	-	-	102
<u>7,200</u>	<u>90,452</u>	<u>111,403</u>	<u>3,150</u>	<u>57,903</u>	<u>20,252</u>	<u>103,200</u>	<u>4,765</u>	<u>1,099,993</u>
4,400	34,106	-	-	25,100	-	-	-	447,080
400	2,679	-	-	1,957	-	-	-	63,648
-	100	-	-	-	-	-	-	49,403
-	8,757	-	3,272	46,760	-	-	7,500	158,008
-	2,165	-	-	1,886	-	-	-	28,029
2,400	-	-	-	-	-	-	-	26,264
-	-	-	-	9,092	-	-	-	437,955
-	-	-	-	-	21,594	-	-	21,594
-	131,745	-	-	-	-	-	-	131,745
<u>7,200</u>	<u>179,552</u>	<u>-</u>	<u>3,272</u>	<u>84,795</u>	<u>21,594</u>	<u>-</u>	<u>7,500</u>	<u>1,363,726</u>
-	(89,100)	111,403	(122)	(26,892)	(1,342)	103,200	(2,735)	(263,733)
-	89,100	-	-	26,892	-	-	2,735	476,872
-	-	(111,403)	-	-	-	(103,200)	-	(214,603)
-	-	-	(122)	-	(1,342)	-	-	(1,464)
-	-	-	276	-	2,503	-	-	2,779
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 154</u>	<u>\$ -</u>	<u>\$ 1,161</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,315</u>

OUACHITA COUNCIL ON AGING, INC.

Schedule of Expenditures - Budget (GAAP Basis) and Actual -
 General and Special Revenue Funds
 For the Year Ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>LOCAL</u>			
Salaries	\$ 5,500	\$ 3,160	\$ 2,340
Fringe	500	253	247
Travel	1,100	1,289	(189)
Operating services	6,000	4,214	1,786
Operating supplies	-	-	-
Other costs	-	32,337	(32,337)
Capital outlay	103,250	93,903	9,347
Transfers to other funds:			
Audit Fund	-	2,735	(2,735)
Adult Day Care	-	26,892	(26,892)
Title III C-2	111,243	138,998	(27,755)
Title III B Supportive Services	<u>85,516</u>	<u>58,045</u>	<u>27,471</u>
 Totals	 <u>\$ 313,109</u>	 <u>\$ 361,826</u>	 <u>\$ (48,717)</u>
<u>PCOA (ACT 735)</u>			
Salaries	-	-	-
Fringe	-	-	-
Meals	-	-	-
Travel	-	-	-
Operating services	-	-	-
Operating supplies	-	-	-
Capital outlay	-	-	-
Transfers to other funds:			
Title III B Supportive Services	<u>35,599</u>	<u>35,599</u>	<u>-</u>
 Totals	 <u>\$ 35,599</u>	 <u>\$ 35,599</u>	 <u>\$ -</u>

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Schedule of Expenditures - Budget (GAAP Basis) and Actual -
General and Special Revenue Funds
For the Year Ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>TITLE III C-1</u>			
Salaries	\$ 83,699	\$ 74,586	\$ 9,113
Fringe	9,259	10,760	(1,501)
Meals:			
Raw food	102,522	90,846	11,676
Non-edibles	77,341	77,212	129
Travel	603	455	148
Operating services	10,852	8,581	2,271
Operating supplies	1,969	224	1,745
Other costs	-	140	-
Capital outlay	-	-	-
	<u>\$ 286,245</u>	<u>\$ 262,804</u>	<u>\$ 23,441</u>
 <u>SENIOR CENTER</u>			
Salaries	\$ 34,600	\$ 34,106	\$ 494
Fringe	2,800	2,679	121
Meals	-	-	-
Travel	200	100	100
Operating services	8,100	8,757	(657)
Operating supplies	2,107	2,165	(58)
Other costs	-	-	-
Grants to subrecipient	<u>131,745</u>	<u>131,745</u>	<u>-</u>
	<u>\$ 179,552</u>	<u>\$ 179,552</u>	<u>\$ -</u>
 <u>Title III C-2</u>			
Salaries	\$ 127,977	\$ 110,815	\$ 17,162
Fringe	14,560	17,626	(3,066)
Meals:			
Raw food	114,978	138,740	(23,762)
Non-edibles	101,159	122,065	(20,906)
Travel	37,243	37,122	121
Operating service	10,136	9,036	1,100
Operating supplies	3,117	3,039	78
Other costs	-	-	-
Capital outlay	-	-	-
	<u>\$ 409,170</u>	<u>\$ 438,443</u>	<u>\$ (29,273)</u>

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Schedule of Expenditures - Budget (GAAP Basis) and Actual -
General and Special Revenue Funds
For the Year Ended June 30, 2000

	<u>Budget</u>	<u>Expenditures</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>TITLE III-D</u>			
Salaries	\$ -	\$ -	\$ -
Fringe	-	-	-
Travel	-	-	-
Operating services	8,900	8,064	836
Operating supplies	-	-	-
Other costs	-	-	-
Capital outlay	-	-	-
Totals	\$ 8,900	\$ 8,064	\$ 836
<u>TITLE III-B OMBUDSMAN</u>			
Salaries	\$ -	\$ -	\$ -
Fringes	-	-	-
Travel	4,756	5,193	(437)
Operating services	1,879	1,442	437
Operating supplies	-	-	-
Other costs	9,360	9,360	-
Capital outlay	-	-	-
Totals	\$ 15,995	\$ 15,995	\$ -
<u>TITLE III-A ADMINISTRATION</u>			
Salaries	\$ 24,028	\$ 24,542	\$(514)
Fringe	2,786	2,853	(67)
Travel	735	607	128
Operating service	10,043	11,162	(1 119)
Operating supplies	3,087	1,515	1,572
Other costs	-	-	-
Capital outlay	-	-	-
Totals	\$ 40,679	\$ 40,679	\$ -
<u>TITLE III-B SUPPORTIVE SERVICE</u>			
Salaries	\$ 186,044	\$ 173,531	\$ 12,513
Fringe	21,174	27,373	(6,199)
Meals	-	-	-
Travel	5,559	5,926	(367)
Operating services	70,566	53,434	17,132
Operating supplies	17,863	19,200	(1,337)
Other costs	17,750	14,364	3,386
Capital outlay	-	-	-
Totals	\$ 318,956	\$ 293,828	\$ 25,128

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Schedule of Expenditures - Budget (GAAP Basis) and Actual -
General and Special Revenue Funds
For the Year Ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>TITLE III-F</u>			
Salaries	\$ 4,400	\$ 4,400	\$ -
Fringe	400	400	-
Meals	-	-	-
Travel	-	-	-
Operating services	-	-	-
Operating supplies	-	-	-
Other costs	2,400	2,400	-
Capital outlay	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 7,200</u>	<u>\$ 7,200</u>	<u>\$ -</u>
 <u>ADULT DAY CARE</u>			
Salaries	\$ 48,000	\$ 25,100	\$ 22,900
Fringe	4,700	1,957	2,743
Meals	17,200	9,092	8,108
Travel	3,800	-	3,800
Operating services	57,135	46,760	10,375
Operating supplies	9,220	1,886	7,334
Other costs	1,200	-	1,200
Capital outlay	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 141,255</u>	<u>\$ 84,795</u>	<u>\$ 56,460</u>
 <u>FEMA</u>			
Salaries	\$ -	\$ -	\$ -
Fringe	-	-	-
Meals	-	-	-
Travel	-	-	-
Operating services	5,900	3,272	2,628
Operating supplies	-	-	-
Other costs	-	-	-
Capital outlay	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 5,900</u>	<u>\$ 3,272</u>	<u>\$ 2,628</u>

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Schedule of Expenditures - Budget (GAAP Basis) and Actual -
 General and Special Revenue Funds
For the Year Ended June 30, 2000

	<u>Budget</u>	<u>Expenditures</u>	Variance - Favorable (Unfavorable)
<u>UTILITY ASSISTANCE</u>			
Salaries	\$ -	\$ -	\$ -
Fringe	-	-	-
Meals	-	-	-
Travel	-	-	-
Operating services	-	-	-
Operating supplies	-	-	-
Other costs	-	-	-
Capital outlay	-	-	-
Utility assistance	22,500	21,594	906
Totals	<u>\$ 22,500</u>	<u>\$ 21,594</u>	<u>\$ 906</u>
<u>AUDIT</u>			
Salaries	\$ -	\$ -	\$ -
Fringes	-	-	-
Meals	-	-	-
Travel	-	-	-
Operating services	7,500	7,500	-
Operating supplies	-	-	-
Capital outlay	-	-	-
Totals	<u>\$ 7,500</u>	<u>\$ 7,500</u>	<u>\$ -</u>
<u>USDA</u>			
Transfer to Title III C-1	\$ 39,060	\$ 37,449	\$ 1,611
Transfers to Title III C-2	83,574	73,954	9,620
Totals	<u>\$ 122,634</u>	<u>\$ 111,403</u>	<u>\$ 11,231</u>
<u>SUPPLE. SENIOR CENTER</u>			
Salaries	\$ -	\$ -	\$ -
Fringe	-	-	-
Meals	-	-	-
Travel	-	-	-
Operating services	-	-	-
Operating supplies	-	-	-
Capital outlay	-	-	-
Grants to subrecipient	-	-	-
Transfer to Other Funds:			
Senior Center	89,100	89,100	-
Title III D	3,495	3,537	-
Title III B	10,615	10,563	-
Totals	<u>\$ 103,200</u>	<u>\$ 103,200</u>	<u>\$ -</u>

OUACHITA COUNCIL ON AGING, INC.Schedule of Priority Services -
Title III, Part B - Grant for Supportive ServicesFor the Year Ended June 30, 2000

Access (30%):	Case Management	\$ 5,985	
	Transportation	168,420	
	Information & Assistance	5,985	
	Outreach	<u>15,712</u>	
	Total access expenses		196,102 <u>159.19%</u>
In-Home (15%):	Homemaker	74,946	
	Chore	<u>1,824</u>	
	Total in-home expenses		76,770 <u>62.32%</u>
Legal (5%):	Legal assistance		6,750 <u>5.48%</u>
Non-priority services			<u>14,206</u>
Total Title III-B Supportive service expenditures			293,828
Less: Participant contributions		(35,466)	
Transfers in		<u>(104,207)</u>	
Title IIIB - Supportive services grant			154,155
Less: Transfer to C-1 Congregate Meals		(20,000)	
State homemaker		<u>(10,966)</u>	
Original grant award net of additional state transportation funds			<u>\$ 123,189</u>

OUACHITA COUNCIL ON AGING, INC.Statement of General Fixed Assets
and Changes in General Fixed Assets
For the Year Ended June 30, 2000

	Balance June 30, <u>1999</u>	Additions	Deletions	Balance June 30, <u>2000</u>
General Fixed Assets, at cost:				
Vans	\$ 236,833	\$ 32,076	\$ -	\$ 268,909
Furniture and equipment	109,407	-	(27,876)	81,531
Leasehold Improvements	60,496	-	(60,496)	-
Building	516,958	60,152	(500,000)	77,110
Land	<u>172,679</u>	<u>1,675</u>	<u>-</u>	<u>174,354</u>
Total	<u>\$1,096,373</u>	<u>\$ 93,903</u>	<u>\$(588,372)</u>	<u>\$ 601,904</u>
Investment in General Fixed Assets:				
Property with no reflection of source and general fund acquisitions	\$ 225,646	\$ -	\$(88,372)	\$ 137,274
Local	704,845	68,242	(500,000)	273,087
Federal Transit Administration	<u>165,882</u>	<u>25,661</u>	<u>-</u>	<u>191,543</u>
Total	<u>\$1,096,373</u>	<u>\$ 93,903</u>	<u>\$(588,372)</u>	<u>\$ 601,904</u>

OUACHITA COUNCIL ON AGING, INC.Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2000

<u>FEDERAL GRANTOR/ PROGRAM TITLE *</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>REVENUE RECOGNIZED</u>	<u>EXPENDITURES</u>
<u>U.S. Department of Health and Human Services</u> <u>Administration on Aging</u>				
Passed through the Louisiana Governor's Office of Elderly Affairs Special programs for the aging:				
Title III, Part B - Grant for Supportive Services and Senior Centers	93.044	\$124,320	\$ 124,320	\$ 124,320
Title III, Part B - Ombudsman	93.044	9,808	9,808	9,808
Subtotal CFDA# 93.044		<u>134,128</u>	<u>134,128</u>	<u>134,128</u>
Title III, Part C-Area Agency Administration	93.045	30,509	30,509	30,509
Title C-1-Nutrition Services Congregate Meals	93.045	85,318	85,318	85,318
Title C-2-Nutrition Services Home Delivered Meals	93.045	54,974	54,974	54,974
Subtotal CFDA# 93.045		<u>170,801</u>	<u>170,801</u>	<u>170,801</u>
Title III, Part D-In Home Services for Frail Older Individuals	93.046	3,848	3,848	3,848
Title III, Part F-Disease and Health Promotion Services	93.043	6,120	6,120	6,120
Total for U.S. Department of Health and Human Services		<u>314,897</u>	<u>314,897</u>	<u>314,897</u>
<u>Federal Emergency Management Agency</u> Passed through American Red Cross Emergency Food and Shelter Program				
	83.523	3,150	3,150	3,150
<u>U.S. Department of Transportation -</u> <u>Federal Transit Administration (FTA)</u> Capital Assistance				
	20.500	26,661	26,661	26,661
<u>U.S. Department of Agriculture</u> Passed through the Louisiana Department of Education Adult Day Care Nutrition				
	10.558	6,964	6,964	6,964
Passed through the Louisiana Governor's Office of Elderly Affairs: USDA - cash in lieu of commodities				
	10.570	125,000	112,224	112,224
Total for U.S Department of Agriculture		<u>131,964</u>	<u>119,188</u>	<u>119,188</u>
<u>U.S. Department of Health & Hospitals</u> Title XIX, Adult Day Care				
	93.778	50,939	50,939	50,939
Total - All Federal Awards		<u>\$527,611</u>	<u>\$514,835</u>	<u>\$514,835</u>

OUACHITA COUNCIL ON AGING, INC.

Notes to the Schedule of Federal Awards

June 30, 2000

1. General:

The accompanying Schedule of Federal Financial Assistance presents the activity of all federal financial assistance programs of Ouachita Council on Aging, Inc.

2. Basis of Accounting:

The accompanying Schedule of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the general purpose financial statements.

3. Relationship to General Purpose Financial Statements:

Federal Financial Award revenues are reported in the general purpose financial statements as follows:

	<u>Intergovernmental</u>
Federal Financial Awards	\$ 514,835
State Financial Awards	<u>513,281</u>
Total	<u>\$ 1,028,116</u>

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

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

Board of Directors
Ouachita Council on Aging, Inc.
Monroe, Louisiana

I have audited the financial statements of Ouachita Council on Aging, Inc. as of and for the year ended June 30, 2000, and have issued my report thereon dated March 24, 2001. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; 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 Ouachita Council on Aging, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as findings # 1 and # 2.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Ouachita Council on Aging, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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.

I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

However, I noted other matters involving the internal control over financial reporting that I have reported to management of Ouachita Council on Aging, Inc. in a separate letter dated March 24, 2001.

This report is intended solely for the information and use of management, the Board of Directors and applicable federal and state cognizant agencies and is not intended to be, and should not be, used by anyone other than the specified parties.

Masha D. Milheir

Certified Public Accountant
March 24, 2001

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

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

Board of Directors
Ouachita Council on Aging, Inc.
Monroe, Louisiana

Compliance

I have audited the compliance of Ouachita 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, 2000. Ouachita 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 requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Ouachita Council on Aging, Inc.'s management. My responsibility is to express an opinion on Ouachita Council on Aging, Inc.'s compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that I 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 Ouachita Council on Aging, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Ouachita Council on Aging, Inc.'s compliance with those requirements.

As described in item #1 in the accompanying schedule of findings and questioned costs, Ouachita Council on Aging, Inc. did not comply with requirements regarding maintaining its financial accounting records in accordance with generally accepted accounting practices and procedures on a monthly basis during the year ended June 30, 2000 or the filing requirements of its June 30, 2000 audit report that is applicable to its Title III Programs - Supportive Service, Ombudsman, Administration, C-1 Nutrition, C-2 Nutrition, In Home Services, and Health Promotion.

Compliance with such requirements is necessary, in my opinion, for Ouachita Council on Aging, Inc. to comply with the requirements applicable to these programs.

In my opinion, except for the noncompliance described in the preceding paragraph, Ouachita 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, 2000.

Internal Control Over Compliance

The management of Ouachita 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 my audit, I considered Ouachita 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 my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal 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. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of management the Board of Directors, and applicable federal and state cognizant agencies and is not intended to be, and should not be, used by anyone other than the specified parties.



Certified Public Accountant
March 29, 2000

OUACHITA COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2000

Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements.
2. The auditor's report on compliance for the major federal award programs for Ouachita Council on Aging, Inc. expresses a modified opinion on all major federal programs.
3. The programs tested as major programs included:

93.044	Title III Supportive Service
93.044	Title III Ombudsman
93.045	Title III Administration
93.045	Title III C-1 Nutrition
93.045	Title III C-2 Nutrition
93.046	Title III D In Home Services
93.043	Title III F Health Promotion
4. The threshold for distinguishing Type A and B programs was \$300,000.
5. Ouachita Council on Aging, Inc. was not determined to be a low risk auditee.

FINDING/NONCOMPLIANCE

FINDING #1

Finding #1 - Criteria:

The Governor's Office of Elderly Affairs (GOEA) is the funding source for the Council's major programs listed above. The terms of the contract between GOEA and Ouachita Council on Aging, Inc. require the council to prepare a monthly financial statement and to maintain books, records, documents, and other evidence, in accordance with generally accepted accounting practices and procedures.

The contract requires monthly financial reports to be filed with GOEA on a timely basis.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2000

Finding #1 - Criteria: (Continued)

The contract with GOEA requires the Council to abide by audit requirements contained in the current GOEA Audit Guide which include filing audit reports with GOEA no later than December 31. Louisiana State Law also requires the Council to file its audit report with the Legislative Auditor no later than December 31.

Finding # 1 - Noncompliance:

The Council did not maintain its financial accounting records in accordance with generally accepted accounting practices and procedures on a monthly basis during the year ended June 30, 2000.

General ledgers were not prepared on a monthly basis, and bank reconciliations were not balanced to general ledger balances on a monthly basis.

Monthly reports to GOEA were not filed on a timely basis. This resulted in administrative funds being withheld until the reports were filed with GOEA.

The audit report for the year ended June 30, 2000 was not filed by December 31 as required by OEA and State Law. This is a repeat finding from the year ended June 30, 1999. The cause for this finding for the year ended June 30, 1999 was stated as computer failure. The Council purchased updates and paid for support for its software programs during the year ended June 30, 2000.

Finding # 1 - Cause:

The Council had been using American Fundware Version 4.1 for its accounting software. After software failure for the year ended June 30, 1999, the Council purchased an upgrade from Version 4.1 to Windows Version 7.1x. The Financial Manager attempted to make the conversion from 4.1 to 7.1x, but after several months of various failures, was unable to effect the conversion. After contacting American Fundware regarding these failures, the Financial Manager was informed that Version 4.1 could not be converted and that American Fundware no longer supported Version 4.1. The Financial Manager was advised to begin again with Version 7.1x. After Version 7.1x proved unreliable, the Financial Manager was advised to purchase the newly designed Version 8.x at a cost in excess of \$15,000 to convert and train personnel on the new system. He was also advised that the new system would not be available until February or March, 2001.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2000

Finding # 1 - Recommendation:

The Council should obtain reliable software suited to its particular needs that will enable the Council to process data accurately within the required time frame.

Finding # 1 - Management's Corrective Action Plan:

The Council purchased a new accounting system, Certiflex Dimension Version 8 in January, 2001. The software was installed and was functioning properly within two weeks of purchase. Monthly GOEA reports are now faxed to GOEA by their due date. The next day the Financial Manager telephones the Council's GOEA field auditor to confirm receipt of the faxed reports before mailing of original copies to GOEA. The new software is enabling the general ledgers to be prepared on a timely basis and will allow for timely filing of its annual audit in the future.

FINDING #2

Finding # 2 - Criteria

The Council operated an Adult Day Care Program under a contract with the Department of Health and Hospitals. The contract requires the Council to prepare an annual cost report and submit the cost report to Department of Health and Hospitals within 90 days of the Council's year end. The Department of Health and Hospitals imposes sanctions by withholding a percentage of revenue earned under this contract as a penalty until such time as the costs reports are filed.

Finding # 2 - Noncompliance

As of March 24, 2001, the cost report for the Adult Day Care Program for the year ended June 30, 1999 has not been prepared and filed with the Department of Health and Hospitals. Failure to prepare and file this report resulted in a loss of revenue earned under the Adult Day Contract for the year ended June 30, 2000 of \$ 7,363.

Finding # 2 - Cause

Due to software failure described as the cause of Finding #1, the general ledgers were not available to prepare the cost reports before the program was closed. Since the program was closed, it was thought not to be of any monetary benefit at the time. All time and energy was devoted to obtaining and installing new software. Therefore, the reports were not filed.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2000

Finding # 2 - Recommendation:

I recommend that the Council monitor and comply with the reporting requirements of all contracts under which it is obligated.

Finding # 2 - Management's Corrective Action Plan

The Adult Day Care Program was closed May 12, 2000.

QUESTIONED COSTS

There were no questioned costs for the year ended June 30, 2000.

OUACHITA COUNCIL ON AGING, INC.

Summary Schedule of Prior Year Findings

For the Year Ended June 30, 2000

Prior Year Findings:

Criteria:

State law requires the Council to file its audited financial statements with the Legislative Auditor and Office of Elderly Affairs no later than December 31. The Council did not file its financial statements within the required time frame and is in violation of state law.

The annual cost report for Adult Day Care is required to be prepared and filed with the Department of Health and Hospitals within 90 days of the Council's year end. As of the date of the prior years audit report, March 29, 2000, the cost report had not been prepared or filed with the Department of Health and Hospitals.

Cause:

The Council experienced unexpected computer failure regarding its internal accounting system that resulted in the loss of the last six months of data. The reconstruction of this data required more time than originally anticipated. The Financial Officer also became ill during this time frame. This resulted in the audited financial statements being filed after the deadline and the cost report for Adult Day Care not being prepared on a timely basis.

Recommendation:

The Council should file its audited financial statements within the time frame required by state law. the annual cost report for Adult Day Care should be prepared and filed with the Department of Health and Hospitals within 90 days of the Council's year end.

Management's Corrective Action Plan:

We agree with the findings and will comply with state law in the future. We have completed the reconstruction of our accounting records and will prepare and file the Adult Day Care report as soon as possible.

Current Status:

The audited financial statements for the subsequent year ended June 30, 2000 were not filed with the Legislative Auditor by December 31 as required by state law.

As of March 24, 2001, the annual cost report for Adult Day Care for the year ended June 30, 1999 had not been prepared and filed with the grantor as required by contract.

PART I GENERAL INFORMATION - Continued

8. Indicate whether the auditee has either a Federal cognizant or oversight agency for audit. (Mark (X) one box)

1 Cognizant agency 2 Oversight agency

9. Name of Federal cognizant or oversight agency for audit (Mark (X) one box)

01 <input type="checkbox"/> African Development Foundation	83 <input type="checkbox"/> Federal Emergency Management Agency	16 <input type="checkbox"/> Justice	08 <input type="checkbox"/> Peace Corps
02 <input type="checkbox"/> Agency for International Development	34 <input type="checkbox"/> Federal Mediation and Conciliation Service	17 <input type="checkbox"/> Labor	59 <input type="checkbox"/> Small Business Administration
10 <input type="checkbox"/> Agriculture	39 <input type="checkbox"/> General Services Administration	43 <input type="checkbox"/> National Aeronautics and Space Administration	96 <input type="checkbox"/> Social Security Administration
11 <input type="checkbox"/> Commerce	93 <input checked="" type="checkbox"/> Health and Human Services	89 <input type="checkbox"/> National Archives and Records Administration	19 <input type="checkbox"/> State
94 <input type="checkbox"/> Corporation for National and Community Service	14 <input type="checkbox"/> Housing and Urban Development	05 <input type="checkbox"/> National Endowment for the Arts	20 <input type="checkbox"/> Transportation
12 <input type="checkbox"/> Defense	03 <input type="checkbox"/> Institute for Museum Services	06 <input type="checkbox"/> National Endowment for the Humanities	21 <input type="checkbox"/> Treasury
84 <input type="checkbox"/> Education	04 <input type="checkbox"/> Inter-American Foundation	47 <input type="checkbox"/> National Science Foundation	82 <input type="checkbox"/> United States Information Agency
81 <input type="checkbox"/> Energy	15 <input type="checkbox"/> Interior	07 <input type="checkbox"/> Office of National Drug Control Policy	64 <input type="checkbox"/> Veterans Affairs
66 <input type="checkbox"/> Environmental Protection Agency			<input type="checkbox"/> Other - Specify:

PART II FINANCIAL STATEMENTS (To be completed by auditor)

1. Type of audit report (Mark (X) one box)

1 Unqualified opinion 2 Qualified opinion 3 Adverse opinion 4 Disclaimer of opinion

2. Is a "going concern" explanatory paragraph included in the audit report? 1 Yes 2 No

3. Is a reportable condition disclosed? 1 Yes 2 No - SKIP to Item 5

4. Is any reportable condition reported as a material weakness? 1 Yes 2 No

5. Is a material noncompliance disclosed? 1 Yes 2 No

PART III FEDERAL PROGRAMS (To be completed by auditor)

1. Type of audit report on major program compliance

1 Unqualified opinion 2 Qualified opinion 3 Adverse opinion 4 Disclaimer of opinion

2. What is the dollar threshold to distinguish Type A and Type B programs § __ .520(b)?

\$ 300,000

3. Did the auditee qualify as a low-risk auditee (§ __ .530)?

1 Yes 2 No

4. Are there any audit findings required to be reported under § __ .510(a)?

1 Yes 2 No

5. Which Federal Agencies are required to receive the reporting package? (Mark (X) all that apply)

01 <input type="checkbox"/> African Development Foundation	83 <input checked="" type="checkbox"/> Federal Emergency Management Agency	16 <input type="checkbox"/> Justice	08 <input type="checkbox"/> Peace Corps
02 <input type="checkbox"/> Agency for International Development	34 <input type="checkbox"/> Federal Mediation and Conciliation Service	17 <input type="checkbox"/> Labor	59 <input type="checkbox"/> Small Business Administration
10 <input type="checkbox"/> Agriculture	39 <input type="checkbox"/> General Services Administration	43 <input type="checkbox"/> National Aeronautics and Space Administration	96 <input type="checkbox"/> Social Security Administration
11 <input type="checkbox"/> Commerce	93 <input checked="" type="checkbox"/> Health and Human Services	89 <input type="checkbox"/> National Archives and Records Administration	19 <input type="checkbox"/> State
94 <input type="checkbox"/> Corporation for National and Community Service	14 <input type="checkbox"/> Housing and Urban Development	05 <input type="checkbox"/> National Endowment for the Arts	20 <input type="checkbox"/> Transportation
12 <input type="checkbox"/> Defense	03 <input type="checkbox"/> Institute for Museum Services	06 <input type="checkbox"/> National Endowment for the Humanities	21 <input type="checkbox"/> Treasury
84 <input type="checkbox"/> Education	04 <input type="checkbox"/> Inter-American Foundation	47 <input type="checkbox"/> National Science Foundation	82 <input type="checkbox"/> United States Information Agency
81 <input type="checkbox"/> Energy	15 <input type="checkbox"/> Interior	07 <input type="checkbox"/> Office of National Drug Control Policy	64 <input type="checkbox"/> Veterans Affairs
66 <input type="checkbox"/> Environmental Protection Agency			00 <input type="checkbox"/> None
			<input type="checkbox"/> Other - Specify:

PART III FEDERAL PROGRAMS - Continued

6. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR		7. AUDIT FINDINGS AND QUESTIONED COSTS					
CFDA number ¹ (a)	Name of Federal program (b)	Amount expended (c)	Major program (a)	Type of compliance requirement ² (b)	Amount of questioned costs (c)	Internal control findings ³ (d)	Audit finding reference number(s) (e)
93.044	Supportive Services	\$ 124,320	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	L	\$ -0-	1 <input type="checkbox"/> A 3 <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	1
93.044	Ombudsman	\$ 9,808	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	L	\$ -0-	1 <input type="checkbox"/> A 3 <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	1
93.045	Area Agency Administration	\$ 30,509	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	L	\$ -0-	1 <input type="checkbox"/> A 3 <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	1
93.045	Congregate Nutrition	\$ 85,318	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	L	\$ -0-	1 <input type="checkbox"/> A 3 <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	1
93.045	Home Delivered Meals	\$ 54,974	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	L	\$ -0-	1 <input type="checkbox"/> A 3 <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	1
93.046	In-Home Services	\$ 3,848	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	L	\$ -0-	1 <input type="checkbox"/> A 3 <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	1
93.043	Health Promotion	\$ 6,120	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	L	\$ -0-	1 <input type="checkbox"/> A 3 <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	1
83.523	FEMA	\$ 3,150	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	L	\$ -0-	1 <input type="checkbox"/> A 3 <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	1
10.558	Adult Daycare Nutrition	\$ 6,964	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	L	\$ -0-	1 <input type="checkbox"/> A 3 <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	1
10.570	USDA	\$ 112,224	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	L	\$ -0-	1 <input type="checkbox"/> A 3 <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	1
TOTAL FEDERAL AWARDS EXPENDED →		\$					

IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS

¹ Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available.
² Type of compliance requirement (Enter the letter(s) of all that apply to audit findings and questioned costs reported for each Federal program.)
 A. Activities allowed or unallowed
 B. Allowable costs/cost principles
 C. Cash management
 D. Davis - Bacon Act
 E. Eligibility
 F. Equipment and real property management
 G. Matching, level of effort, earmarking
 H. Period of availability of funds
 I. Procurement
 J. Program income
 K. Real property acquisition and relocation assistance
 L. Reporting
 M. Subrecipient monitoring
 N. Special tests and provisions
 O. None

³ Type of internal control findings (Mark (X) all that apply)
 A. Material weaknesses
 B. Reportable conditions
 C. None reported

PART II FEDERAL PROGRAMS - Continued

6. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR		7. AUDIT FINDINGS AND QUESTIONED COSTS					
CFDA number ¹ (a)	Name of Federal program (b)	Amount expended (c)	Major program (a)	Type of compliance requirement ² (b)	Amount of questioned costs (c)	Internal control findings ³ (d)	Audit finding reference number(s) (e)
93.778	ADULT DAYCARE	\$ 50,939	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	L	\$ --0-	1 <input type="checkbox"/> A 3 <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	2
20.500	FTA -CAPITAL ASSISTANCE	\$ 26,661	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	L	\$ --0-	1 <input type="checkbox"/> A 3 <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	1
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 3 <input type="checkbox"/> C 2 <input type="checkbox"/> B	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 3 <input type="checkbox"/> C 2 <input type="checkbox"/> B	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 3 <input type="checkbox"/> C 2 <input type="checkbox"/> B	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 3 <input type="checkbox"/> C 2 <input type="checkbox"/> B	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 3 <input type="checkbox"/> C 2 <input type="checkbox"/> B	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 3 <input type="checkbox"/> C 2 <input type="checkbox"/> B	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 3 <input type="checkbox"/> C 2 <input type="checkbox"/> B	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 3 <input type="checkbox"/> C 2 <input type="checkbox"/> B	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 3 <input type="checkbox"/> C 2 <input type="checkbox"/> B	
TOTAL FEDERAL AWARDS EXPENDED →		\$ 514,835					

IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS

¹ Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available.
² Type of compliance requirement (Enter the letter(s) of all that apply to audit findings and questioned costs reported for each Federal program.)
 A. Activities allowed or unallowed
 B. Allowable costs/cost principles
 C. Cash management
 D. Davis - Bacon Act
 E. Eligibility
 F. Equipment and real property management
 G. Matching, level of effort, earmarking
 H. Period of availability of funds
 I. Procurement
 J. Program income
 K. Real property acquisition and relocation assistance
 L. Reporting
 M. Subrecipient monitoring
 N. Special tests and provisions
 O. None
³ Type of internal control findings (Mark (X) all that apply)
 A. Material weaknesses
 B. Reportable conditions
 C. None reported

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

March 24, 2001

Board of Directors
Ouachita Council on Aging, Inc.
Monroe, Louisiana

In planning and performing my audit of the general purpose financial statements of Ouachita Council on Aging, Inc., as of and for the year ended June 30, 2000, I became aware of the existence of several agreed-upon conditions. This memorandum summarizes my comments and suggestions regarding those conditions.

MONTHLY BANK RECONCILIATIONS:

Condition:

Bank reconciliations are prepared on a monthly basis for all bank accounts. However, these reconciliations are not balanced to general ledger cash balances on a monthly basis. I recommend that bank reconciliations be balanced to general ledger cash balances on a monthly basis.

Management's Response:

We will balance monthly bank reconciliations for general ledger cash balances.

FRINGE BENEFITS:

Condition:

The Council pays a portion of health insurance for its employees. The method currently being used to determine the employee portion of health insurance is not uniform, nor was any documentation produced to verify the method currently being used is appropriate. I recommend the Council adopt a formal policy regarding the amount of health insurance premiums provided to employees and that the policy be instituted in determining health insurance premiums to be withheld from employees wages.

Management's Response:

The Board of Directors will adopt a formal policy regarding health insurance premiums paid by the Council.

ADULT DAY CARE:

Condition:

The Council prepares monthly claims for units of service to the grantor seeking reimbursement for services rendered. The claims for the months of July, 1999 and September, 1999 were denied by the grantor resulting in no revenue being paid to the Council for those months. No action was taken by the Council to refile these claims and recover this lost revenue.

The Council terminated this program on May 12, 2000. Any claims for reimbursement must be filed within one year of the date of closing. I recommend that the Council refile these claims in an attempt to recover this revenue.

The Council has not prepared the cost report for this program as required by the grantor for the year ended June 30, 1999. In order for these claims to be refiled, the cost report must be prepared and filed with the grantor. I recommend that the cost report for Adult Day Care be prepared and filed with the grantor as soon as possible in order that the claims for the months of July, 1999 and September, 1999 can be refiled.

Management's Response:

The Council will prepare the cost report for Adult Day Care for the year ended June 30, 1999 and refile the claims for the months of July, 1999 and September, 1999.

I will review the status of these comments during my next audit engagement. I have already discussed these comments with Company personnel, and will be pleased to discuss them in further detail at your convenience.

Very truly yours,



Marsha O. Millican, CPA