

**NATCHITOCHEES PARISH  
COUNCIL ON AGING, INC.  
NATCHITOCHEES, LOUISIANA**

**ANNUAL FINANCIAL REPORT  
JUNE 30, 2002**

Natchitoches Parish Council on Aging, Inc.

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# Johnson, Thomas & Cunningham

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### *Independent Auditors' Report*

To the Board of Directors of  
Natchitoches Parish Council on Aging, Inc.  
Natchitoches, Louisiana

We were engaged to audit the accompanying general purpose financial statements of the Natchitoches Parish Council on Aging, Inc. as of and for the year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the Council's management.

For the year ended June 30, 2002, the Council did not reconcile its bank accounts or payable accounts to the general ledger. We were unable to reconstruct these reconciliations, and accordingly, were not able to extend our audit procedures beyond the amounts recorded for these accounts.

Since we were unable to audit the accounts referred to above, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on these general purpose financial statements.

The accompanying financial information listed as "Schedules" and "Supplementary Information" in the table of contents, including the Schedules of Expenditures of Federal Awards, is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. This information has also not been audited, and no opinion is being expressed thereon.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2003, on our consideration of the Natchitoches Parish 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.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the Natchitoches Parish Council on Aging, Inc.

Johnson, Thomas & Cunningham  
Johnson, Thomas & Cunningham, CPA's

February 28, 2003  
Natchitoches, Louisiana

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

To the Board of Directors of  
Natchitoches Parish Council on Aging, Inc.  
Natchitoches, Louisiana

We were engaged to audit the accompanying general purpose financial statements of the Natchitoches Parish Council on Aging, Inc. as of and for the year ended June 30, 2002, and have issued our report thereon dated February 28, 2003. In our report, we issued a disclaimer of opinion due to deficiencies within the Council's accounting system.

#### Compliance

As part of obtaining reasonable assurance about whether the Natchitoches Parish 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 financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings and Questioned Costs as item 02-1.

#### Internal Control Over Financial Reporting

In planning and performing our engagement, we considered the Natchitoches Parish Council on Aging, Inc.'s internal control over financial reporting in order to determine our procedures for the purpose of attempting to express an 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. Reportable conditions involve 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 Natchitoches Parish 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 condition is described in the accompanying Schedule of Findings and Questioned Costs as item 02-2.

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 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. However, we consider the reportable condition described above to be a material weakness.

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

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

February 28, 2003  
Natchitoches, Louisiana

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### REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of  
Natchitoches Parish Council on Aging, Inc.  
Natchitoches, Louisiana

#### Compliance

We were engaged to audit the compliance of the Natchitoches Parish 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, 2002. The Natchitoches Parish 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 Natchitoches Parish Council on Aging, Inc.'s management.

For the year ended June 30, 2002, the Natchitoches Parish Council on Aging, Inc. did not reconcile its bank accounts and accounts payable to the general ledger. We were unable to construct these reconciliations, and accordingly, were not able to extend our audit procedures beyond the amounts recorded for these accounts.

Since we were unable to audit the accounts referred to above, the scope of our work was not sufficient to enable us to express, and we do not express an opinion on the Natchitoches Parish Council on Aging, Inc.'s compliance with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

#### Internal Control Over Compliance

The management of the Natchitoches Parish 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 Natchitoches Parish 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 our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our 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 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. We noted one matter involving the internal control over compliance which is described in the accompanying Schedule of Findings and Questioned Costs as item 02-1, which we consider to be a material weakness.

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

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

February 28, 2003

Natchitoches, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)

Natchitoches Parish Council on Aging, Inc.  
Combined Balance Sheet-All Fund Types and Account Groups  
June 30, 2002 and 2001

	Fund Types		Account Groups		Totals	
	General	Special Revenue	General Fixed Assets	General Long-Term Debt	(Memorandum Only)	
					2002	2001
<u>Assets</u>						
Cash	\$70,322	\$ 0	\$ 0	\$ 0	\$ 70,322	\$107,637
Accounts Receivable	0	2,865	0	0	2,865	3,298
Vehicles	0	0	339,680	0	339,680	320,060
Furniture, Fixtures, & Equipment	0	0	96,061	0	96,061	87,397
Buildings, Improvements, & Land	0	0	1,619	0	1,619	1,619
Amount Available for						
Debt Retirement	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,396</u>	<u>16,396</u>	<u>1,047</u>
Total Assets	<u>\$70,322</u>	<u>\$ 2,865</u>	<u>\$437,360</u>	<u>\$16,396</u>	<u>\$526,943</u>	<u>\$521,058</u>
<u>Liabilities &amp; Fund Equity</u>						
Liabilities-						
Overdraft	\$ 0	\$ 6,014	\$ 0	\$ 0	\$ 6,014	\$ 0
Accounts Payable	72	5,052	0	0	5,124	34,097
Notes Payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,396</u>	<u>16,396</u>	<u>1,047</u>
Total Liabilities	<u>\$ 72</u>	<u>\$11,066</u>	<u>\$ 0</u>	<u>\$16,396</u>	<u>\$ 27,534</u>	<u>\$ 35,144</u>
Fund Equity-						
Fund Balances-						
Unreserved-						
Undesignated	\$53,854	\$ (8,201)	\$ 0	\$ 0	\$ 45,653	\$ 75,791
Reserved Amount	16,396	0	0	0	16,396	1,047
Investment in General						
Fixed Assets	<u>0</u>	<u>0</u>	<u>437,360</u>	<u>0</u>	<u>437,360</u>	<u>409,076</u>
Total Fund Equity	<u>\$70,250</u>	<u>\$ (8,201)</u>	<u>\$437,360</u>	<u>\$ 0</u>	<u>\$499,409</u>	<u>\$485,914</u>
Total Liabilities & Fund Equity	<u>\$70,322</u>	<u>\$ 2,865</u>	<u>\$437,360</u>	<u>\$16,396</u>	<u>\$526,943</u>	<u>\$521,058</u>

See notes to financial statements.

Natchitoches Parish Council on Aging, Inc.  
Combined Statement of Revenues, Expenditures and Changes in Fund Balances-  
All Governmental Fund Types  
Year Ended June 30, 2002  
With Comparative Amounts from Year Ended June 30, 2001

	General Fund Types	Special Revenue Fund Types	Totals (Memorandum Only)	
			<u>2002</u>	<u>2001</u>
<b>REVENUES:</b>				
Intergovernmental	\$21,779	\$743,853	\$765,632	\$822,239
Miscellaneous	<u>49,731</u>	<u>56,270</u>	<u>106,001</u>	<u>64,143</u>
Total Revenues	<u>\$71,510</u>	<u>\$800,123</u>	<u>\$871,633</u>	<u>\$886,382</u>
<b>EXPENDITURES:</b>				
Current-				
Salaries	\$ 0	\$303,868	\$303,868	\$328,192
Fringe	0	52,573	52,573	62,073
Travel	0	2,958	2,958	4,382
Operating Services	4,703	124,118	128,821	118,032
Operating Supplies	1,282	52,462	53,744	48,604
Other Costs	0	345,166	345,166	286,584
Capital Expenditures	40,151	4,674	44,825	25,983
Debt Service-				
Principal	1,047	0	1,047	5,002
Interest	<u>420</u>	<u>0</u>	<u>420</u>	<u>864</u>
Total Expenditures	<u>\$47,603</u>	<u>\$885,819</u>	<u>\$933,422</u>	<u>\$879,716</u>
Excess (Deficiency) of Revenues Over Expenditures	\$23,907	\$ (85,696)	\$ (61,789)	\$ 6,666
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In (Out)	0	0	0	0
Proceeds of Loan	<u>0</u>	<u>47,000</u>	<u>47,000</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources Over Expen- ditures and Other Uses	\$23,907	\$ (38,696)	\$ (14,789)	\$ 6,666
Fund Balance-Beginning of Year	<u>46,343</u>	<u>30,495</u>	<u>76,838</u>	<u>70,172</u>
Fund Balance-End of Year	<u>\$70,250</u>	<u>\$ (8,201)</u>	<u>\$ 62,049</u>	<u>\$ 76,838</u>

See notes to financial statements.

Natchitoches Parish Council on Aging, Inc.  
General Funds  
Combined Statement of Revenues, Expenditures and Changes in Fund Balance-  
Budget (GAAP Basis) and Actual  
Year Ended June 30, 2002  
With Comparative Actual Amounts from Year Ended June 30, 2001

	2002			
	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)	2001 <u>Actual</u>
REVENUES:				
Intergovernmental	\$21,779	\$21,779	\$ 0	\$21,779
Miscellaneous	<u>0</u>	<u>49,731</u>	<u>49,731</u>	<u>54,184</u>
Total Revenues	<u>\$21,779</u>	<u>\$71,510</u>	<u>\$ 49,731</u>	<u>\$75,963</u>
EXPENDITURES:				
Current-				
Salaries	\$ 0	\$ 0	\$ 0	\$ 5,986
Fringe	0	0	0	3,432
Travel	0	0	0	0
Operating Services	4,468	4,703	(235)	3,984
Operating Supplies	2,200	1,282	918	3,802
Other	0	0	0	17,708
Capital Outlay	15,111	40,151	(25,040)	17,292
Debt Service-				
Principal	0	1,047	(1,047)	5,002
Interest	<u>0</u>	<u>420</u>	<u>(420)</u>	<u>864</u>
Total Expenditures	<u>\$21,779</u>	<u>\$47,603</u>	<u>\$(25,824)</u>	<u>\$58,070</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$23,907	\$ 23,907	\$17,893
OTHER FINANCING SOURCES (USES):				
Operating Transfers In (Out)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(6,053)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expen- ditures and Other Uses	\$ 0	\$23,907	\$ 23,907	\$11,840
Fund Balance-Beginning of Year	<u>46,343</u>	<u>46,343</u>	<u>0</u>	<u>34,503</u>
Fund Balance-End of Year	<u>\$46,343</u>	<u>\$70,250</u>	<u>\$ 23,907</u>	<u>\$46,343</u>

See notes to financial statements.

Natchitoches Parish Council on Aging, Inc.  
Special Revenue Funds  
Combined Statement of Revenues, Expenditures and Changes in Fund Balance-  
Budget (GAAP Basis) and Actual  
Year Ended June 30, 2002  
With Comparative Actual Amounts from Year Ended June 30, 2001

	2002		Variance- Favorable	2001
	Budget	Actual	(Unfavorable)	Actual
<b>REVENUES:</b>				
Intergovernmental	\$746,865	\$743,853	\$ (3,012)	\$800,460
Miscellaneous	<u>0</u>	<u>56,270</u>	<u>56,270</u>	<u>9,959</u>
Total Revenues	<u>\$746,865</u>	<u>\$800,123</u>	<u>\$ 53,258</u>	<u>\$810,419</u>
<b>EXPENDITURES:</b>				
Current-				
Salaries	\$292,854	\$303,868	\$ (11,014)	\$322,206
Fringe	52,544	52,573	(29)	58,641
Travel	1,800	2,958	(1,158)	4,382
Operating Services	54,316	124,118	(69,802)	114,048
Operating Supplies	31,980	52,462	(20,482)	44,802
Other Costs	313,371	345,166	(31,795)	268,876
Capital Expenditures	<u>0</u>	<u>4,674</u>	<u>(4,674)</u>	<u>8,691</u>
Total Expenditures	<u>\$746,865</u>	<u>\$885,819</u>	<u>\$(138,954)</u>	<u>\$821,646</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (85,696)	\$ (85,696)	\$ (11,227)
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	0	0	0	54,439
Operating Transfers Out	0	0	0	(48,386)
Proceeds of Loan	<u>0</u>	<u>47,000</u>	<u>47,000</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 0	\$ (38,696)	\$ (38,696)	\$ (5,174)
Fund Balance-Beginning of Year	<u>30,495</u>	<u>30,495</u>	<u>0</u>	<u>35,669</u>
Fund Balance-End of Year	<u>\$ 30,495</u>	<u>\$ (8,201)</u>	<u>\$ (38,696)</u>	<u>\$ 30,495</u>

See notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2002

**1. Summary of Significant Accounting Policies-**

a. Reporting Entity:

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

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

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.

b. Presentation of Statements:

In April of 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*.

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2002

c. 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, or expenses, as appropriate. 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 two generic fund types and two broad fund categories (account groups).

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 fund raisers (3) program service revenue from renting Medic Alert units and providing Medicaid services, and (4) interest income earned on idle funds which have been invested, have been recorded in the "other local" program of the General Fund. 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 fund-raising income are charged as "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.

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2002

PCOA (Act 735)

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

- 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. Most of the Council's special revenue funds are provided by GOEA. The Title III funds are provided by the United States Department of Health and Human Services - Administration on Aging through the Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council.

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

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.

Title III-B Supportive Services Fund

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

Title III C Area Agency Administration (AAA) Fund

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

Title III C-1 Fund

The Title III C-1 Fund is used to account for funds which are used to provide nutritional, *congregate* meals to the elderly in strategically located centers.

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2002

Title III C-2 Home Delivered Meals Fund

Title III C-2 Fund is used to account for funds which are used to provide nutritional, *home delivered* meals to homebound older persons.

Title III-D 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.”

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.

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 (or compilation) of the Council’s financial statements.

Title XIX Adult Day Care Program

These funds are used to provide adult day care to the elderly.

NFRC

The NFRC fund is used to account for the costs associated with the distribution of commodities to the elderly.

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2002

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 employees and remit the funds directly to the Council or to the Louisiana Association of Councils on Aging (LACOA), which in turn remits funds relating to the Natchitoches Parish Council on Aging, Inc. to the Council. These funds are used to provide financial assistance to the elderly for the payment of their utility bills.

FTA Fund

The FTA Fund is used to account for the acquisition of vehicles purchased in part with federal funds under various capital assistance programs. The Louisiana Department of Transportation and Development coordinates the receipt and disbursement of the FTA funds and the required matching funds from the Council.

Welfare to Work

The Welfare to Work program is used to account for the transportation of individuals to educational institutions. Funding is received from these institutions for which transportation services are provided.

U.S.D.A. Fund

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

Medicaid Transportation

These funds are used to provide non-emergency medical transportation to medicaid recipients.

d. 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 it does not directly affect net expendable available financial resources. The following account groups are not "funds".

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2002

General Fixed Assets

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

e. 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 uses) in net current assets.

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

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

f. Transfers and Interfund Loans:

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

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2002

g. Budget Policy:

The Council used the following procedures to derive the budgetary data which has been presented in Exhibits D and E of 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.
- The adopted budget is forwarded to the Governor's Office of Elderly Affairs 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 a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.
- Actual amounts are compared to budgeted amount 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 these grant awards, GOEA requires the Council to amend its budget in cases where actual costs for a particular cost category exceed the budgeted amount by more than 10%. Otherwise, the excess costs could be labeled as unauthorized expenditures.

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2002

- Expenditures cannot legally exceed appropriations on an 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 General Fund activities are not budgeted, particularly if they are deemed to be immaterial by management.
- Amounts were not budgeted for revenues and expenses for the Utility Assistance Fund because they were not legally required and the amount of revenue to be received under this program could not be determined.

h. Comparative Data:

Comparative data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Council's financial position and operations. However, presentation of comparative data by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Total columns on the combined financial statements 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.

i. Fixed Assets, Including Property Leased Under Capital Leases:

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.

Capital leases are recorded at the inception of the lease as capital outlay expenditures and other financing sources in governmental fund types and as assets and liabilities in the General Fixed Asset and General Long-Term Debt account groups, respectively, at the present value of the minimum lease payments, using the interest rates stated in the leases. Lease payments are recorded as expenditures on the due date; the portion of the payments applicable to principal, determined by using interest rates implicit in the lease, is reported as a reduction of the capitalized lease obligation in the General Long-Term Debt account group.

j. Related Party Transactions:

There were not any related party transactions during the fiscal year.

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2002

k. Reservation 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.

l. Management’s Use of Estimates:

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

**2. Revenue Recognition - Intergovernmental, Program Service Fees, Public Support, and Miscellaneous Revenues-**

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.

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, and C-2 programs. 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.

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2002

**3. Cash in Bank-**

The Council maintains a consolidated bank account to deposit the money it collects and to pay its bills and a "Building Fund Account". At June 30, 2002, we were unable to correctly determine the balance of cash based on our audit. The consolidated bank account is available for use by all funds. The purpose of this consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash balances to cover any negative cash balances in other funds at year end. At June 30, 2002, the balance of the Council's consolidated bank account was \$126,336. All of the deposits were covered by federal depository insurance. GASB Statement 3 categorizes the credit risk of these deposits as Category 1 because they are fully insured.

**4. In-kind Contributions-**

The Council receives various in-kind contributions. Although these contributions have not been reported as revenues, the offsetting expenses have not been reported, thereby producing no effect on the financial statements.

**5. 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.

**6. Changes in General Fixed Assets-**

The following changes were made in the general fixed assets for the year ended June 30, 2002:

	<u>Balance</u> <u>7-1-01</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6-30-02</u>
Vehicles, Furniture, Fixtures, Equipment, Buildings, Improvements, and Land	\$ <u>409,076</u>	\$ <u>50,407</u>	\$ <u>22,123</u>	\$ <u>437,360</u>

**7. Pension Plans-**

The employees of the Council are not covered by any pension system.

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2002

**8. Income Tax Status-**

The Council, a non-profit corporation, is exempt from federal income taxation 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.

**9. Changes in General Long-Term Debt-**

In 1997, the Natchitoches Parish Council on Aging, Inc. purchased a vehicle through Ford Motor Credit. This certificate of indebtedness was for \$19,664.29 for four years, bearing an interest rate of 8.95%. Final payment made in 2002.

In 2002, the Natchitoches Parish Council on Aging, Inc. purchased a vehicle through Ford Motor Credit. Total price, including interest of \$2,867 is \$19,266, bearing an interest rate of 10.5%.

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 07-01-01	<u>Principal</u>		Balance 06-30-02
		<u>Additions</u>	<u>Deletions</u>	
N/P-Ford Motor Credit	<u>\$1,047</u>	<u>\$16,396</u>	<u>\$1,047</u>	<u>\$16,396</u>

The annual requirements to amortize all debt outstanding as of June 30, 2002, including interest of \$2,867 are as follows:

2002	\$ 3,210
2003	6,422
2004	6,422
2005	<u>3,212</u>
Total	<u>\$19,266</u>

**10. Judgments, Claims, and Similar Contingencies-**

There is no litigation pending against the Council at June 30, 2002.

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2002

**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 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.

**12. Economic Dependency-**

The Council receives the majority of its revenue from funds provided through grants administered by the 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.

**13. Encumbrances-**

The Council does not use the encumbrance system for financial records.

**14. Annual and Sick Leave-**

Employees of the Council on Aging are allowed 8 hours of sick leave per month. Vacation leave is based on years of service with the maximum allowable amount being 10 hours per month. Sick leave may not be carried forward after year end and vacation leave must be used by the employees' second anniversary date of employment. Because the amount of these vacation days at year end is insignificant, the Natchitoches Parish Council on Aging has not recorded the related liabilities.

**15. Interfund Transfers-**

Operating transfers in and out are listed by fund for 2002:

<u>Funds Transferred In</u>	<u>Section 5311</u>	<u>Funds Transferred Out</u>		<u>Total In</u>
		<u>Senior Center Supplemental</u>	<u>U.S.D.A. CILC</u>	
Senior Center	\$ 0	\$8,000	\$ 0	\$ 8,000
Ombudsman	1,024	0	0	1,024
Title III C-1	10,100	0	0	10,100
Title III C-2	<u>15,700</u>	<u>0</u>	<u>33,421</u>	<u>49,121</u>
Total Out	<u>\$26,824</u>	<u>\$8,000</u>	<u>\$33,421</u>	<u>\$68,245</u>

## COMBINING FINANCIAL SCHEDULES

Natchitoches Parish Council on Aging, Inc.  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-  
General Fund Types  
Year Ended June 30, 2002

	<u>PCOA</u> <u>(Act 735)</u>	<u>Local</u>	<u>Building</u> <u>Fund</u>	<u>Totals</u>
<b>REVENUES:</b>				
Intergovernmental-				
Office of Elderly Affairs	\$21,779	\$ 0	\$ 0	\$21,779
Miscellaneous	<u>0</u>	<u>6,427</u>	<u>43,304</u>	<u>49,731</u>
Total Revenues	<u>\$21,779</u>	<u>\$ 6,427</u>	<u>\$43,304</u>	<u>\$71,510</u>
<b>EXPENDITURES:</b>				
Current-				
Operating Services	\$ 3,328	\$ 1,375	\$ 0	\$ 4,703
Operating Supplies	1,282	0	0	1,282
Salaries	0	0	0	0
Fringe	0	0	0	0
Capital Expenditures	15,702	0	24,449	40,151
Debt Service-				
Principal	1,047	0	0	1,047
Interest	<u>420</u>	<u>0</u>	<u>0</u>	<u>420</u>
Total Expenditures	<u>\$21,779</u>	<u>\$ 1,375</u>	<u>\$24,449</u>	<u>\$47,603</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 5,052	\$18,855	\$23,907
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In (Out)	<u>0</u>	<u>(7,527)</u>	<u>7,527</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources Over Expen- ditures and Other Uses	\$ 0	\$ (2,475)	\$26,382	\$23,907
Fund Balance-Beginning of Year	<u>0</u>	<u>10,317</u>	<u>36,026</u>	<u>46,343</u>
Fund Balance-End of Year	<u>\$ 0</u>	<u>\$ 7,842</u>	<u>\$62,408</u>	<u>\$70,250</u>

See notes to financial statements

Natchitoches Parish Council on Aging, Inc.  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Special Revenue Funds  
For the Year Ended June 30, 2002

	<u>Welfare To Work</u>	<u>Title III-B</u>	<u>Senior Center</u>	<u>Supplemental Senior Center</u>
<b>REVENUES:</b>				
Intergovernmental-				
Governor's Office of Elderly Affairs	\$ 0	\$87,751	\$31,000	\$ 8,000
Local Governments	0	0	0	0
FEMA	0	0	0	0
Public Support-				
La. Councils on Aging	0	0	0	0
Miscellaneous-				
Program Income & Other Income	<u>0</u>	<u>1,800</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 0</u>	<u>\$89,551</u>	<u>\$31,000</u>	<u>\$ 8,000</u>
<b>EXPENDITURES:</b>				
Current-				
Salaries	\$ 0	\$35,436	\$23,430	\$ 0
Fringe	0	4,080	5,888	0
Travel	0	1,022	68	0
Operating Services	0	35,034	7,553	0
Operating Supplies	0	9,548	1,319	0
Other Costs	0	4,431	742	0
Capital Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 0</u>	<u>\$89,551</u>	<u>\$39,000</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (8,000)</u>	<u>\$ 8,000</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	\$ 0	\$ 0	\$ 8,000	\$ 0
Operating Transfers (Out)	0	0	0	(8,000)
Loan Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,000</u>	<u>\$(8,000)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance-Beginning of Year	<u>136</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance-End of Year	<u>\$136</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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See notes to financial statements.

Natchitoches Parish Council on Aging, Inc.  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Special Revenue Funds  
For the Year Ended June 30, 2002

	<u>Title III C-1</u>	<u>Title III C-2</u>	<u>Title III C-1 Administration</u>	<u>Audit Funds</u>
<b>REVENUES:</b>				
Intergovernmental-				
Governor's Office of Elderly Affairs	\$110,057	\$ 92,964	\$30,375	\$2,222
Local Governments	0	0	0	0
FEMA	0	0	0	0
Public Support-				
La. Councils on Aging	0	0	0	0
Miscellaneous-				
Program Income & Other Income	<u>5,417</u>	<u>3,280</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$115,474</u>	<u>\$ 96,244</u>	<u>\$30,375</u>	<u>\$2,222</u>
<b>EXPENDITURES:</b>				
Current-				
Salaries	\$ 0	\$ 0	\$13,221	\$ 0
Fringe	0	0	7,301	0
Travel	0	0	175	0
Operating Services	0	0	7,514	0
Operating Supplies	0	0	1,940	0
Other Costs	125,574	145,365	224	2,222
Capital Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$125,574</u>	<u>\$145,365</u>	<u>\$30,375</u>	<u>\$2,222</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (10,100)</u>	<u>\$ (49,121)</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	\$ 10,100	\$ 49,121	\$ 0	\$ 0
Operating Transfers (Out)	0	0	0	0
Loan Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources	<u>\$ 10,100</u>	<u>\$ 49,121</u>	<u>\$ 0</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance-Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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See notes to financial statements.

Natchitoches Parish Council on Aging, Inc.  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Special Revenue Funds  
For the Year Ended June 30, 2002

	<u>USDA</u>	<u>NFRC</u>	Utilities Assistance <u>Fund</u>	<u>Title XIX Transportation</u>	<u>Title III E</u>
<b>REVENUES:</b>					
Intergovernmental-					
Governor's Office of Elderly Affairs	\$ 36,286	\$ 0	\$ 0	\$ 0	\$ 7,458
Local Governments	0	0	0	126,422	0
FEMA	0	0	0	0	0
Public Support-					
La. Councils on Aging	0	0	418	0	0
Miscellaneous-					
Program Income & Other Income	<u>0</u>	<u>10,862</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 36,286</u>	<u>\$ 10,862</u>	<u>\$ 418</u>	<u>\$126,422</u>	<u>\$ 7,458</u>
<b>EXPENDITURES:</b>					
Current-					
Salaries	\$ 0	\$ 0	\$ 0	\$ 81,128	\$ 17,686
Fringe	0	0	0	9,005	0
Travel	0	0	0	596	0
Operating Services	0	0	0	31,937	0
Operating Supplies	0	0	163	12,886	0
Other Costs	0	53,410	0	8,649	0
Capital Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,346</u>	<u>0</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 53,410</u>	<u>\$ 163</u>	<u>\$146,547</u>	<u>\$ 17,686</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 36,286</u>	<u>\$(42,548)</u>	<u>\$ 255</u>	<u>\$( 20,125)</u>	<u>\$(10,228)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Operating Transfers (Out)	(33,421)	0	0	0	0
Loan Proceeds	<u>0</u>	<u>47,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources	<u>\$(33,421)</u>	<u>\$ 47,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 2,865	\$ 4,452	\$ 255	\$ (20,125)	\$(10,228)
Fund Balance-Beginning of Year	<u>0</u>	<u>(871)</u>	<u>2,406</u>	<u>(1,500)</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 2,865</u>	<u>\$ 3,581</u>	<u>\$2,661</u>	<u>\$(21,625)</u>	<u>\$(10,228)</u>

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See notes to financial statements.

Natchitoches Parish Council on Aging, Inc.  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Special Revenue Funds  
For the Year Ended June 30, 2002

	<u>Ombudsman</u>	<u>Medicaid Program</u>	<u>Title III-D</u>	<u>FTA Section 5311</u>	<u>FEMA</u>	<u>Total</u>
REVENUES:						
Intergovernmental-						
Governor's Office of Elderly Affairs	\$ 4,386	\$ 0	\$5,067	\$ 0	\$ 0	\$415,566
Local Governments	0	0	0	187,587	0	314,009
FEMA	0	0	0	0	13,860	13,860
Public Support-						
La. Councils on Aging	0	0	0	0	0	418
Miscellaneous-						
Program Income & Other Income	<u>0</u>	<u>938</u>	<u>0</u>	<u>33,973</u>	<u>0</u>	<u>56,270</u>
Total Revenues	<u>\$ 4,386</u>	<u>\$ 938</u>	<u>\$5,067</u>	<u>\$221,560</u>	<u>\$13,860</u>	<u>\$800,123</u>
EXPENDITURES:						
Current-						
Salaries	\$ 3,720	\$ 0	\$3,351	\$125,896	\$ 0	\$303,868
Fringe	368	0	0	25,931	0	52,573
Travel	141	0	0	956	0	2,958
Operating Services	976	0	0	27,284	13,820	124,118
Operating Supplies	64	0	0	26,542	0	52,462
Other Costs	141	0	1,716	2,692	0	345,166
Capital Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,329</u>	<u>0</u>	<u>4,674</u>
Total Expenditures	<u>\$ 5,410</u>	<u>\$ 0</u>	<u>\$5,067</u>	<u>\$211,630</u>	<u>\$13,820</u>	<u>\$885,819</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$(1,024)</u>	<u>\$ 938</u>	<u>\$ 0</u>	<u>\$ 9,930</u>	<u>\$ 40</u>	<u>\$(85,696)</u>
OTHER FINANCING SOURCES (USES):						
Operating Transfers In	\$ 1,024	\$ 0	\$ 0	\$ 0	\$ 0	\$ 68,245
Operating Transfers (Out)	0	0	0	0	0	(68,245)
Loan Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	<u>(26,824)</u>	<u>0</u>	<u>47,000</u>
Total Other Financing Sources	<u>\$ 1,024</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (26,824)</u>	<u>\$ 0</u>	<u>\$ 47,000</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 0	\$ 938	\$ 0	\$ (16,894)	\$ 40	\$ (38,696)
Fund Balance-Beginning of Year	<u>0</u>	<u>(4,620)</u>	<u>0</u>	<u>34,944</u>	<u>0</u>	<u>30,495</u>
Fund Balance-End of Year	<u>\$ 0</u>	<u>\$(3,682)</u>	<u>\$ 0</u>	<u>\$ 18,050</u>	<u>\$ 40</u>	<u>\$(8,201)</u>

See notes to financial statements.

## INDIVIDUAL FUND INFORMATION

Natchitoches Parish Council on Aging, Inc.  
Schedule of Expenditures-Budget and Actual  
For the Year Ended June 30, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EXPENDITURES:			
Title III C-1:			
Raw Food	\$ 57,972	\$ 57,972	\$ 0
Labor/Non-Edibles	<u>64,685</u>	<u>67,602</u>	<u>(2,917)</u>
Total	<u>\$122,657</u>	<u>\$125,574</u>	<u>\$ (2,917)</u>
Senior Center:			
Salaries	\$ 0	\$ 23,430	\$(23,430)
Fringe	0	5,888	(5,888)
Travel	0	68	(68)
Operating Services	0	7,553	(7,553)
Operating Supplies	0	1,319	(1,319)
Other Costs	13,213	742	12,471
Capital Outlay	<u>25,787</u>	<u>0</u>	<u>25,787</u>
Total	<u>\$ 39,000</u>	<u>\$ 39,000</u>	<u>\$ 0</u>
Supplemental Senior Center:			
Transfer to Senior Center	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ 0</u>
Title III C-2:			
Raw Food	\$ 85,863	\$ 85,863	\$ 0
Labor/Non-Edibles	<u>56,151</u>	<u>59,502</u>	<u>(3,351)</u>
Total	<u>\$142,014</u>	<u>\$145,365</u>	<u>\$ (3,351)</u>
Title III-B Supportive Services:			
Salaries	\$ 38,939	\$ 35,436	\$ 3,503
Fringe	5,532	4,080	1,452
Travel	393	1,022	(629)
Operating Services	30,563	35,034	(4,471)
Operating Supplies	10,019	9,548	471
Other Costs	<u>4,105</u>	<u>4,431</u>	<u>(326)</u>
Total	<u>\$ 89,551</u>	<u>\$ 89,551</u>	<u>\$ 0</u>

See notes to financial statements.

Continued next page.

Natchitoches Parish Council on Aging, Inc.  
Schedule of Expenditures-Budget and Actual  
For the Year Ended June 30, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Ombudsman:			
Salaries	\$ 1,137	\$ 3,720	\$(2,583)
Fringe	256	368	(112)
Travel	15	141	(126)
Operating Services	1,063	976	87
Operating Supplies	23	64	(41)
Other Costs	<u>1,892</u>	<u>141</u>	<u>1,751</u>
Total	<u>\$ 4,386</u>	<u>\$ 5,410</u>	<u>\$(1,024)</u>
Title III C-1- Administration:			
Salaries	\$13,459	\$13,221	\$ 238
Fringe	7,855	7,301	554
Operating Services	7,617	7,514	103
Operating Supplies	1,082	1,940	(858)
Other Costs	208	224	(16)
Travel	<u>155</u>	<u>175</u>	<u>(20)</u>
Total	<u>\$30,376</u>	<u>\$30,375</u>	<u>\$ 1</u>
Audit Funds:			
Other Costs	<u>\$ 2,222</u>	<u>\$ 2,222</u>	<u>\$ 0</u>
USDA - Cash in lieu of Commodities:			
Transfer to Title III C-2	<u>\$33,421</u>	<u>\$33,421</u>	<u>\$ 0</u>
PCOA Funds:			
Operating Services	\$ 0	\$ 3,328	\$(3,328)
Operating Supplies	0	1,282	(1,282)
Capital Expenditures	8,224	15,702	(7,478)
Other	12,088	0	12,088
Debt Service-			
Principal	1,047	1,047	0
Interest	<u>420</u>	<u>420</u>	<u>0</u>
Total	<u>\$21,779</u>	<u>\$21,779</u>	<u>\$ 0</u>

Continued next page.

See notes to financial statements.

Natchitoches Parish Council On Aging, Inc.  
Schedule of Expenditures-Budget and Actual  
For the Year Ended June 30, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Title III D:			
Salaries	\$ 0	\$ 3,351	\$ (3,351)
Other Costs	<u>5,067</u>	<u>1,716</u>	<u>3,351</u>
Total	\$ <u>5,067</u>	\$ <u>5,067</u>	\$ <u>0</u>
Title III E:			
Salaries	\$ 0	\$17,686	\$(17,686)
Other Costs	<u>29,477</u>	<u>0</u>	<u>29,477</u>
Total	\$ <u>29,477</u>	\$ <u>17,686</u>	\$ <u>11,791</u>

See notes to financial statements.

ACCOUNT GROUP FINANCIAL STATEMENTS

Natchitoches Parish Council on Aging, Inc.  
Comparative Schedule of General Fixed Assets  
June 30, 2002

	<u>Balance</u> <u>June 30, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2002</u>
<b>GENERAL FIXED ASSETS</b>				
Vehicles	\$320,060	\$ 24,620	\$ 5,000	\$339,680
Furniture, Fixtures, & Equipment	87,397	16,851	8,187	96,061
Buildings, Improvements & Land	<u>1,619</u>	<u>0</u>	<u>0</u>	<u>1,619</u>
Total	<u>\$409,076</u>	<u>\$ 41,471</u>	<u>\$ 13,187</u>	<u>\$437,360</u>
<b>INVESTMENT IN GENERAL FIXED ASSETS:</b>				
Property Acquired Prior to July 1, 1985*	\$ 3,634	\$ 0	\$ 3,634	\$ 0
Property Acquired from-				
Local Funds/Donations	143,637	0	8,204	135,433
Title III-F	3,625	0	3,625	0
Section XVIII & Section 16 B2	201,946	0	230	201,716
Senior Center	576	618	0	1,194
Title III C-1	1,193	988	0	2,181
Title III C-1 (AAA)	500	0	0	500
Leased	53,965	0	6,430	47,535
Title III C-2	0	158	0	158
Title III D	0	3,564	0	3,564
Act 735 PCOA	<u>0</u>	<u>45,079</u>	<u>0</u>	<u>45,079</u>
Total	<u>\$409,076</u>	<u>\$ 50,407**</u>	<u>\$ 22,123**</u>	<u>\$437,360</u>

\* Records reflecting source from which assets were acquired were not maintained prior to July 1, 1985.

\*\* Additions and deletions shown in "Investments in General Fixed Assets" reflect changes in funding sources to bring into agreement with Inventory Schedule provided by Natchitoches Parish Council on Aging.

Natchitoches Parish Council on Aging, Inc.  
Schedule of General Long-Term Debt  
June 30, 2002

	Certificate of <u>Indebtedness</u>
AMOUNT AVAILABLE AND TO BE PROVIDED FOR PAYMENT OF LONG-TERM DEBT:	
Amount Available for Debt Service	\$16,396
Amount to be Provided	<u>    0</u>
Total Available and to be Provided	<u>\$16,396</u>
GENERAL LONG-TERM DEBT PAYABLE	<u>\$16,396</u>

Natchitoches Parish Council on Aging, Inc.  
Schedule of Changes in Long-Term Debt  
June 30, 2002

	<u>Balance July 1, 2001</u>	<u>Long-Term Debt Issued</u>	<u>Long-Term Debt Retired</u>	<u>Balance June 30, 2002</u>
Amount Available for Debt Service	<u>\$1,047</u>	<u>\$16,396</u>	<u>\$1,047</u>	<u>\$16,396</u>
General Long-Term Debt	<u>\$1,047</u>	<u>\$16,396</u>	<u>\$1,047</u>	<u>\$16,396</u>

## SCHEDULES AND OTHER INFORMATION

Natchitoches Parish Council On Aging, Inc.  
Schedule of Priority Services-  
Title III, Part B - Grant for Supportive Services  
For the Year Ended June 30, 2002

			Percent of <u>GOEA Grant</u>
Access (30%):	Assisted Transportation	\$ 0	
	Case Management	0	
	Transportation	52,492	
	Information & Assistance	7,067	
	Outreach	<u>9,454</u>	
	Total Access Expense	<u>\$69,013</u>	77%
In-Home (15%):	Homemaker	\$ 0	
	Chore	0	
	Telephoning	16,475	
	Visiting	0	
	Adult/Daycare/Health	0	
	Personal Care	<u>0</u>	
	Total In-home Expenses	<u>\$16,475</u>	18%
Legal (5%):	Legal Assistance	<u>\$ 4,063</u>	5%
Total Title IIIB - Supportive Services Expenditures		<u>\$89,551</u>	
Less:	Participant Contributions	\$ (1,800)	
	Other Public Support	0	
	Transfers In	<u>0</u>	
Title IIIB - Supportive Services Contract		\$87,751	
Less:	Transfers of Contract Allotments		
	State Homemaker	(6,491)	
	State Transportation	<u>0</u>	
Original Grant Award Net of Additional State Homemaker and Transportation Funds and Transfers of Contract Allotments		<u>\$81,260</u>	

Natchitoches Parish Council on Aging, Inc.  
Compensation to Board Members  
Year Ended June 30, 2002

No per diem or travel was paid to the Board Members for attending the Board meetings for the year ended June 30, 2002.

Natchitoches Parish Council on Aging, Inc.  
Summary Schedule of Prior Audit Findings  
Year Ending June 30, 2002

**Internal Control**

**00-1** *Condition* – The accounting system being used by the Natchitoches Parish Council on Aging, Inc. does not provide the information needed to produce accurate financial statements, to properly account for the Council's transactions, or to provide a useful audit trail. The Council uses computerized spreadsheets for some transactions, and a manual general ledger for others. The entries made to the Council's books do not always provide enough detail to determine what was done. The reconciliations normally made monthly to a set of books, such as bank reconciliations, are not being made.

*Current Status* – This condition was not corrected in 2001 nor in the current year, and appears as Internal Control Finding 02-02 for the year ending June 30, 2002.

Natchitoches Parish Council on Aging, Inc.  
Findings and Questioned Costs  
Year Ended June 30, 2002

**I. SUMMARY OF AUDITORS' RESULTS**

The following summarizes the auditors' results in accordance with OMB Circular A-133:

1. A disclaimer of opinion was issued on the general purpose financial statements of the Natchitoches Parish Council on Aging, Inc. as of and for the year ended June 30, 2002.
2. One reportable condition in internal control was disclosed by the audit of the financial statements for the year ended June 30, 2002, and this condition was considered to be a material weakness.
3. The audit disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*.
4. The audit did disclose one reportable condition in internal control over major programs.
5. A disclaimer of opinion was issued on compliance for major programs.
6. The audit did disclose one finding related to federal awards that is required to be reported under OMB Circular A-133.
7. The following programs were major for the year ended June 30, 2002:
  - a. GOEA Cluster of Federal Programs
  - b. Dept. of Transportation-Public Transportation FTA Section 5311
8. \$300,000 was the threshold used to distinguish Type A from Type B programs.
9. The Natchitoches Parish Council on Aging, Inc. did qualify as a low-risk auditee.

Natchitoches Parish Council on Aging, Inc.  
Findings and Questioned Costs (continued)  
Year Ended June 30, 2002

**II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Compliance**

**02-1** *Condition*

Louisiana Revised Statutes require the Natchitoches Parish Council on Aging, Inc. to submit annual financial statements to the Louisiana Legislative Auditor within six (6) months of the end of its fiscal year. For the year ended June 30, 2002, we were unable to obtain all required documentation/information within this six (6) month time frame.

*Recommendation*

We recommend that the Council have its financial records completed and ready to be audited within 45 days after its fiscal year end.

**Internal Control**

**02-2.** *Condition*

The accounting system being used by the Natchitoches Parish Council on Aging, Inc. does not provide the information needed to produce accurate financial statements, to properly account for the Council's transactions, or to provide a useful audit trail. The entries made to the Council's books do not always provide enough detail to determine what was done. The basic reconciliations normally made monthly to a set of books, such as bank reconciliations, are not being made. This is a repeat finding from 2000 and 2001.

*Recommendation*

The Natchitoches Parish Council on Aging, Inc. should completely reconstruct its accounting system to include a computerized accounting package which includes payroll processing, receipts and disbursements journals, general ledger, and monthly and annual financial reports. The books should be balanced and reconciled to bank accounts monthly.

NATCHITOCHEES PARISH COUNCIL ON AGING  
1016 Keyser Avenue  
P. O. Box 2083  
Natchitoches, Louisiana 71457

March 10, 2003

Mr. Daniel G. Kyle, CPA, CFT  
Secretary, Legislative Audit Advisory Council  
P. O. Box 94397  
Baton Rouge, Louisiana 70804-9397

Dear Mr. Kyle:

The following responses are being submitted in reference to the findings recorded in the Annual Financial Report, year ending June 30, 2002, for the Natchitoches Parish Council on Aging, Inc.

**Compliance**

02-01. Audit Not Filed Timely

The Natchitoches Parish Council on Aging has instituted policies and hired qualified personnel to ensure that its financial records will be completed and forwarded to the approved Auditor within 45 days after its fiscal year end.

**Internal Control**

02-02. Inadequate Accounting System

The Natchitoches Parish Council on Aging went through another transitional period during fiscal year 2002 which resulted in there being two directors and three bookkeepers within a 1 year period. As a result, the bookkeeping system was left in turmoil. With the hiring of a competent bookkeeper and the guidance of our accounting firm, the Natchitoches Parish Council on Aging assures that its accounting system will be completely reconstructed to include a computerized accounting package which will produce accurate financial statements and provide a useful audit trail. The books are now being balanced and reconciled to bank accounts on a monthly basis.

If additional information is required, please contact me at 318-357-3250.

Sincerely,

Frances Welch

Frances I. Welch  
Executive Director

Natchitoches Parish Council on Aging, Inc.  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2002

<u>Federal Grantor/Pass through Grantors/Program</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Revenues</u>	<u>Expenditures</u>
Department of Health and Human Services:				
Passed through La. Governor's Office of Elderly Affairs-				
Special Program for the Aging-				
Title III B-(Support Services)	93.044	\$ 74,943	\$ 74,943	\$ 74,943
Title III C-I (Administration)	93.045	22,781	22,781	22,781
Title III C-I (Meals)	93.045	63,445	63,445	63,445
Title III C-II (Home Deliveries Meals)	93.045	39,468	39,468	39,468
Ombudsman Services	93.044	3,079	3,079	3,079
Title III D (Health Facilitation)	93.043	5,067	5,067	5,067
Title III E (Care Giver)	93.052	9,353	9,353	9,353
Medicaid/Medicaid Waiver	1964581	938	938	938
Department of Agriculture:				
Passed through La. Governor's Office of Elderly Affairs-				
USDA-Cash in Lieu of Commodities	10.570	36,286	36,286	33,421
Department of Transportation:				
Passed through Natchitoches Parish Police Jury-				
Public Transportation FTA Section 5311	20.509	<u>187,587</u>	<u>187,587</u>	<u>187,587</u>
TOTALS		<u>\$442,947</u>	<u>\$442,947</u>	<u>\$440,082</u>