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TENSAS COUNCIL ON THE AGING, INC.

General Purpose Financial Statements
For The Year Ended June 30, 2001

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

Release Date 12/19/01

TENSAS COUNCIL ON THE AGING, INC.
ST. JOSEPH, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2001

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TENSAS COUNCIL ON AGING, INC.
ST. JOSEPH, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2001

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tensas Council on the Aging, Inc.
St. Joseph, Louisiana

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2001, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Tensas Council on the Aging, Inc. taken as a whole. The accompanying schedule 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. Such information has been subjected to the auditing procedures applied to the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects, in relation to the general purpose financial statements taken as a whole.

Board of Directors
Tensas Council on the Aging, Inc..
St. Joseph, Louisiana
Page Two

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information beginning on page 17 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Council. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Cameron, Hines & Hartt (APAC)

West Monroe, Louisiana
November 29, 2001

GENERAL PURPOSE FINANCIAL STATEMENTS
COMBINED STATEMENTS – OVERVIEW

TENSAS COUNCIL ON THE AGING, INC.
ST. JOSEPH, LOUISIANA

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 2001

	<u>Governmental Fund Types</u>		<u>Account Group</u>	<u>TOTALS</u>	
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>General Fixed Assets</u>	<u>(Memorandum Only)</u>	
				<u>2001</u>	<u>2000</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 1,104	\$ 2,459	\$ -	\$ 3,563	\$ 1,385
Accounts Receivable	-	8,639	-	8,639	10,094
Prepaid Expenses	-	-	-	-	775
Due From Other Funds	1,396	-	-	1,396	2,670
Land and Buildings	-	-	-	-	4,000
Vehicles	-	-	62,026	62,026	60,976
Furniture and Equipment	-	-	6,926	6,926	8,368
TOTAL ASSETS	\$ 2,500	\$ 11,098	\$ 68,952	\$ 82,550	\$ 88,268
<u>LIABILITIES AND FUND BALANCE</u>					
<u>LIABILITIES</u>					
Cash Overdraft	\$ 1,112	\$ 10,833	\$ -	\$ 11,945	\$ 3,643
Accounts Payable	-	1,499	-	1,499	1,263
Other Accrued Expenses	-	1,528	-	1,528	5,069
Due To Other Funds	-	1,396	-	1,396	2,670
Notes Payable	19,151	-	-	19,151	13,747
Total Liabilities	20,263	15,256	-	35,519	26,392
<u>FUND BALANCE</u>					
Investment in General					
Fixed Assets	-	-	68,952	68,952	73,344
Fund Balance					
Reserved:					
Prepaid Insurance	-	-	-	-	775
Utilities Assistance	-	382	-	382	2,163
Unreserved and Undesignated	(17,763)	(4,540)	-	(22,303)	(14,406)
Total Fund Balance (Deficit)	(17,763)	(4,158)	68,952	47,031	61,876
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,500	\$ 11,098	\$ 68,952	\$ 82,550	\$ 88,268

The accompanying notes are an integral part of this financial statement.

TENSAS COUNCIL ON THE AGING, INC
ST. JOSEPH, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2000

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Totals (Memorandum Only)</u>	
			<u>2001</u>	<u>2000</u>
<u>REVENUES</u>				
Intergovernmental	\$ 21,779	\$ 56,396	\$ 78,175	\$ 105,279
Public Support	2,519	9,344	11,863	9,933
Rental Income - EMS Units	-	2,764	2,764	2,647
Total Revenues	<u>24,298</u>	<u>68,504</u>	<u>92,802</u>	<u>117,859</u>
<u>EXPENDITURES</u>				
Current:				
Salaries	-	42,828	42,828	58,652
Fringe	-	3,630	3,630	5,222
Travel	-	1,933	1,933	1,645
Operating Services	-	41,878	41,878	24,990
Operating Supplies	-	4,806	4,806	8,332
Other Costs	4,816	-	4,816	6,763
Interest Payments	477	-	477	782
Utility Assistance	-	2,887	2,887	1,920
Total Expenditures	<u>5,293</u>	<u>97,962</u>	<u>103,255</u>	<u>108,306</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER EXPENDITURES</u>	19,005	(29,458)	(10,453)	9,553
<u>OTHER FINANCING SOURCES</u>				
<u>(USES)</u>				
Proceeds From Loans	-	-	-	-
Operating Transfers - In	-	43,059	43,059	51,977
Operating Transfers - Out	(21,779)	(21,280)	(43,059)	(51,977)
Total Other Financing Sources (Uses)	<u>(21,779)</u>	<u>21,779</u>	<u>-</u>	<u>-</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>AND OTHER FINANCING SOURCES</u>				
<u>OVER EXPENDITURES AND</u>				
<u>OTHER FINANCING USES</u>	(2,774)	(7,679)	(10,453)	9,553
<u>FUND BALANCE AT BEGINNING</u>				
<u>OF YEAR</u>	<u>(14,989)</u>	<u>3,521</u>	<u>(11,468)</u>	<u>(21,021)</u>
<u>FUND BALANCE (DEFICIT)</u>				
<u>AT END OF YEAR</u>	<u>\$ (17,763)</u>	<u>\$ (4,158)</u>	<u>\$ (21,921)</u>	<u>\$ (11,468)</u>

The accompanying notes are an integral part of this financial statement.

TENSAS COUNCIL ON THE AGING, INC.
ST. JOSEPH, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
ALL GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED JUNE 30, 2001

	General Fund		
	GAAP Basis Budget	Actual	Variance - Favorable (Unfavorable)
<u>REVENUES</u>			
Intergovernmental	\$ 21,779	\$ 21,779	\$ -
Public Support	-	2,519	2,519
Rental Income - EMS Units	-	-	-
Total Revenues	21,779	24,298	2,519
<u>EXPENDITURES</u>			
Current:			
Salaries	-	-	-
Fringe	-	-	-
Travel	-	-	-
Operating Services	-	-	-
Operating Supplies	-	-	-
Other Costs	-	4,816	(4,816)
Interest Payments	-	477	(477)
Utility Assistance	-	-	-
Total Expenditures	-	5,293	(5,293)
<u>EXCESS (DEFICIENCY) OF REVENUES</u>			
<u>OVER EXPENDITURES</u>	21,779	19,005	(2,774)
<u>OTHER FINANCING SOURCES</u>			
<u>(USES)</u>			
Operating Transfers - In	-	-	-
Operating Transfers - Out	(21,779)	(21,779)	-
Total Other Financing Sources (Uses)	(21,779)	(21,779)	-
<u>EXCESS (DEFICIENCY) OF REVENUES</u>			
<u>AND OTHER FINANCING SOURCES</u>			
<u>OVER EXPENDITURES AND OTHER</u>			
<u>FINANCING USES</u>			
	-	(2,774)	(2,774)
<u>FUND BALANCE AT BEGINNING</u>			
<u>OF YEAR</u>			
	-	(14,989)	(14,989)
<u>FUND BALANCE AT END OF YEAR</u>			
	\$ -	\$ (17,763)	\$ (17,763)

Special Revenue Funds			Totals (Memorandum Only)		
GAAP Basis Budget	Actual	Variance - Favorable (Unfavorable)	GAAP Basis Budget	Actual	Variance - Favorable (Unfavorable)
\$ 35,116	\$ 56,396	\$ 21,280	\$ 56,895	\$ 78,175	\$ 21,280
2,643	9,344	6,701	2,643	11,863	9,220
-	2,764	2,764	-	2,764	2,764
<u>37,759</u>	<u>68,504</u>	<u>30,745</u>	<u>59,538</u>	<u>92,802</u>	<u>33,264</u>
42,447	42,828	(381)	42,447	42,828	(381)
3,362	3,630	(268)	3,362	3,630	(268)
1,751	1,933	(182)	1,751	1,933	(182)
46,841	41,878	4,963	46,841	41,878	4,963
10,585	4,806	5,779	10,585	4,806	5,779
-	-	-	-	4,816	(4,816)
-	-	-	-	477	(477)
-	2,887	(2,887)	-	2,887	(2,887)
<u>104,986</u>	<u>97,962</u>	<u>7,024</u>	<u>104,986</u>	<u>103,255</u>	<u>1,731</u>
(67,227)	(29,458)	37,769	(45,448)	(10,453)	34,995
44,809	43,059	(1,750)	44,809	43,059	(1,750)
<u>(19,666)</u>	<u>(21,280)</u>	<u>(1,614)</u>	<u>(41,445)</u>	<u>(43,059)</u>	<u>(1,614)</u>
25,143	21,779	(3,364)	3,364	-	(3,364)
(42,084)	(7,679)	34,405	(42,084)	(10,453)	31,631
-	3,521	3,521	-	(11,468)	(11,468)
<u>\$ (42,084)</u>	<u>\$ (4,158)</u>	<u>\$ 37,926</u>	<u>\$ (42,084)</u>	<u>\$ (21,921)</u>	<u>\$ 20,163</u>

The accompanying notes are an integral part of this financial statement.

TENSAS COUNCIL ON THE AGING, INC.
ST. JOSEPH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

Note 1- Summary of Significant Accounting Policies

A. Reporting Entity

In 1964, the State of Louisiana passed Act 456 that authorized the charter of voluntary councils on aging for the welfare of the aging people in their representative parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The Tensas Council on the 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. The Council also receives revenues from other federal, state, and local government agencies that may impose certain restrictions upon how the Council can use the money that they have provided.

The primary function of the Tensas Council on the 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. 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 11 voluntary members who serve three-year terms governs the Council.

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

B. Presentation of Statements

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate accounting principles generally accepted in the United States of America and reporting standards with respect to activities and transactions of state and local government 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 accounting principles generally accepted in the United States of America for state and local governments.

The accompanying financial statements conform to accounting principles generally accepted in the United States of America 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*.

TENSAS COUNCIL ON THE AGING, INC.
ST. JOSEPH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

Note 1- Summary of Significant Accounting Policies (continued)

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:

GOVERNMENTAL FUNDS

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 Funds

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

PCOA (ACT 735) Funds

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 provided the program is benefiting people who are at least 60.

TENSAS COUNCIL ON THE AGING, INC.
ST. JOSEPH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

Note 1- Summary of Significant Accounting Policies (continued)

General Fund (continued)

Title XIX Medical Assistance Program Fund

This program accounts for funds which are used to provide payments for medical services provided to (1) cash assistance recipients, (2) members of certain mandatory and optional groups who do not receive cash assistance and (3) other medically needy people who qualify under program guidelines. Title XIX funds are provided by Louisiana Department of Health and Human Services. There was no activity in this fund during the year ended June 30, 2001.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific 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 that comprise the Council's Special Revenue Funds:

Title III-B Supportive Services Fund

This program provides access services, in-home services, community services, legal assistance and transportation for the elderly.

Senior Center Fund

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-F Disease Prevention

The III-F 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 dysfunction, and to the families of such victims. This program also provides preventive health services.

TENSAS COUNCIL ON THE AGING, INC.
ST. JOSEPH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

Note 1 - Summary of Significant Accounting Policies (continued)

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. Tensas Council on the Aging, Inc. was one of the parish councils to receive a supplemental grant.

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 parish Councils on Aging to provide assistance to the elderly for the payment of their utility bills.

Emergency Medical Services Fund

This fund accounts for fees collected and remitted to the Louisiana Governor's Office of Elderly Affairs for the use of medical assistance paging devices used by elderly citizens.

ACCOUNT GROUPS

The following account groups are not "funds". They are concerned only with the measurement of financial position and are not involved with measurement of results of operations.

General Fixed Assets Account Group

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets.

The cost of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not capitalized but are only recognized as a normal expenditure of the governmental funds.

D. 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 facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

TENSAS COUNCIL ON THE AGING, INC.
ST. JOSEPH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

Note 1- Summary of Significant Accounting Policies (continued)

E. Basis of Accounting

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

The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

F. Budget Policy

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

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

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

The Board of Directors reviews and adopts the budget before June 30th 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).

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

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

TENSAS COUNCIL ON THE AGING, INC.
ST. JOSEPH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

Note 1 - Summary of Significant Accounting Policies (continued)

F. Budget Policy (continued)

The council may transfer funds between line items as often as required, but must obtain prior approval for the Governor's Office of Elderly Affairs for funds received under grants from this state agency.

Expenditures cannot legally exceed appropriations on an individual level.

Amounts were not budgeted for revenues and expenses for the utility assistance fund because they were not legally required and the amount of revenues to be received under this program could not be determined.

G. 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.

H. Compensated Absences

Employees of the Tensas Council on the Aging, Inc. earn from 12 to 18 days of annual leave each year with 40 days allowed to be carried over to next year, depending on their length of service and the employee's working status (full-time or part-time). Provided that funds are available, employees are compensated upon termination of employment for current-year accrued annual leave. Employees earn up to 12 days of sick leave each year, and can accumulate up to 60 days, depending upon whether the employee is on a part-time or full-time status. Employees are not paid for accrued sick leave at termination and no accrual has been made.

I. Funding Policies and Sources of Funds

The Council receives its monies through various methods of funding. USDA cash-in-lieu of commodities funds are provided through the Louisiana Governor's Office of Elderly Affairs to help offset raw food cost in Title III C-1 and C-2 programs. This program is funded under the units of service provided method. The Senior Center program and State Allocation (PCOA) funds are received as a monthly allocation of the total budget (grant) in advance of the actual expenditure. The Title III-B and F programs are funded based on actual operating cost incurred.

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 also provided by the Louisiana Association of Council on Aging to the Council under the Helping Hands and Heating Help Energy programs. All of the above mentioned funds, including any other miscellaneous income, are recorded as revenue when the cash is received because the Council cannot predict the timing and amount of receipt.

TENSAS COUNCIL, ON THE AGING, INC.
ST. JOSEPH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

Note 1 - Summary of Significant Accounting Policies (continued)

J. Estimates

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

Note 2 - Cash and Certificates of Deposit

At June 30, 2001, the book balance of the Council's bank deposits was \$1,097 and an overdraft of \$9,187. The overdraft was due to items such as outstanding checks at year end.

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

Bank Balances	<u>\$ 2,158</u>
Federal Deposit Insurance	\$ 100,000
Pledged Securities (Uncollateralized)	<u> -</u>
Total	<u>\$ 100,000</u>

Because the pledged securities are held by the custodial bank in the name of the fiscal agent bank rather than in the name of the Council, they are considered uncollateralized (Category 3) under the provision of GASB Codification C20.106; however Louisiana Revised Statute 39.1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Council that the fiscal agent bank has failed to pay deposited funds upon demand.

Note 3 - Receivables

Accounts receivable at June 30, 2001, was from North Delta which consisted of reimbursements for expenses incurred of \$5,034 and III F fund of \$373.

Note 4 - Fixed Assets

A summary of changes in general fixed assets follows:

TENSAS COUNCIL ON THE AGING, INC.
ST. JOSEPH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

Note 4 - Fixed Assets (continued)

	<u>Balance</u> <u>July 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2001</u>
Land & Buildings	\$ 4,000	\$ -	\$ 4,000	\$ -
Vehicles	62,026	-	-	62,026
Furniture & Fixtures	<u>7,318</u>	<u>-</u>	<u>392</u>	<u>6,926</u>
<u>TOTALS</u>	<u>\$ 73,344</u>	<u>\$ -</u>	<u>\$ 4,392</u>	<u>\$ 68,952</u>

Note 5 - In-Kind Contributions

The Council received various in-kind contributions during the year. These in-kind contributions have not been recorded in the financial statements as revenues, nor has the expenditure related to the use of the in-kind been recorded. The primary in-kind contributions consisted of free rent and utilities for the senior center and meal sites, and wages and fringe benefits for volunteer workers.

Note 6 - Board of Directors' Compensation

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

Note 7 - 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.

Note 8 - Litigation and Claims

There was no litigation pending against the Council at June 30, 2001, nor is the Council aware of any unasserted claims.

Note 9 - Federal Award Programs

The Council receives revenues from various federal and state grant programs that are subject to final review and approval as to the allowability of expenditures by the respective grantor agencies. These programs are audited in accordance with the *Single Audit Act Amendment of 1996* and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Institutions*. 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.

TENSAS COUNCIL ON THE AGING, INC.
ST. JOSEPH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

Note 10-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.

Note 11-Long-Term Debt

The following is a summary of transactions relating to the Council's long-term obligation for the year ended June 30, 2001:

	<u>Tensas State Bank</u>	<u>Auto Notes Payable</u>	<u>North Delta</u>
<u>Balance at Beginning of Year</u>	\$ -	\$ 5,146	\$ 8,600
Additions (Net)	13,060	-	-
Retirements	(2,920)	(2,237)	2,500
 <u>BALANCE AT END OF YEAR</u>	 <u>\$ 10,140</u>	 <u>\$ 2,909</u>	 <u>\$ 6,100</u>

There are two notes to Tensas State Bank at year end for operating capital. The principle portion of the first note was \$10,030 with an interest rate of 12.50% per year due in twenty one monthly payments of \$500 per month. The principle portion of the second note was \$3,030 with an interest rate of 11.96% per year due in one year.

The auto note is with Bank One for a van that is pledged as collateral. The principle portion of the note was \$9,600 with an interest rate of 12.5% per year. Payments of \$255 are made monthly for 48 months beginning May 1998.

The other loan is from North Delta Regional Planning and Development for operating expenses. It is to be paid back in two semi-annual payments with no interest due. Beginning in the year ended June 30, 2001, North Delta withheld some of the Council's expenditure reimbursement to pay down the amount owed.

The annual requirements to amortize the loans outstanding as of June 30, 2001, including interest payments of \$2,920 are as follows:

<u>June 30,</u>	<u>Notes Payable</u>
2002	\$ 10,954
2003	<u>5,015</u>
 Total	 <u>\$ 15,969</u>

TENSAS COUNCIL ON THE AGING, INC.
ST. JOSEPH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

Note 12-Interfund Transfers

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

<u>Funds Transferred In</u>	<u>Funds Transferred Out</u>			<u>Total In</u>
	<u>Senior Center</u>	<u>Supplemental Senior Center</u>	<u>PCOA</u>	
Title IIIB- Supportive Services	\$ 17,122	\$ 4,158	\$ 21,779	\$ 43,059
Title III F	-----	-----	-----	-----
Total Out	<u>\$ 17,122</u>	<u>\$ 4,158</u>	<u>\$ 21,779</u>	<u>\$ 43,059</u>

Note 13-Related Party Transactions

There were no related party transactions during the year.

Note 14-Fund Deficits

At June 30, 2001, the General Fund and Title III B Fund had fund deficits of \$17,763 and \$5,491, respectively.

Note 15-Commitments and Contingencies

During the year, the Council made short term borrowings to help with operating capital. Although the Council is making timely payments, cash flow remains limited and fund deficits grew. In response to the limited cash flows, the Council reduced the hours of the employees and will continue to borrow money for operating capital. Also, beginning during the fiscal year 2002, both C1 and C2 meal programs were reinstated with the USDA funds. These funds should help pay salaries and other operating expenditures for at least the next twelve months.

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.

Supplemental Information Schedules:

Combining and Account Group Schedules

TENSAS COUNCIL ON THE AGING, INC.
ST. JOSEPH, LOUISIANA

GENERAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2001 AND 2000

	<u>Programs of the General Fund</u>		<u>Totals</u>	
	<u>Local</u>	<u>PCOA (Act 735)</u>	<u>2001</u>	<u>2000</u>
<u>ASSETS</u>				
Cash & Cash Equivalents	\$ 1,104	\$ -	\$ 1,104	\$ 1,030
Accounts Receivable	-	-	-	8,264
Prepaid Expenses	-	-	-	775
Due From Other Funds	1,396	-	1,396	-
<u>TOTAL ASSETS</u>	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 10,069</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES</u>				
Cash Overdraft	\$ 1,112	\$ -	\$ 1,112	\$ 3,525
Accounts Payable	-	-	-	47
Other Accrued Expenses	-	-	-	5,069
Notes Payable	19,151	-	19,151	13,747
Due To Other Funds	-	-	-	2,670
Total Liabilities	<u>20,263</u>	<u>-</u>	<u>20,263</u>	<u>25,058</u>
 <u>FUND BALANCE</u>				
Reserved for:				
Prepaid Insurance	-	-	-	775
Unreserved and Undesignated	<u>(17,763)</u>	<u>-</u>	<u>(17,763)</u>	<u>(15,764)</u>
Total Fund Balance	<u>(17,763)</u>	<u>-</u>	<u>(17,763)</u>	<u>(14,989)</u>
 <u>TOTAL LIABILITIES AND FUND BALANCE</u>	 <u>\$ 2,500</u>	 <u>\$ -</u>	 <u>\$ 2,500</u>	 <u>\$ 10,069</u>

TENSAS COUNCIL ON THE AGING, INC.
ST. JOSEPH, LOUISIANA

GENERAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2000

	<u>Programs of the General Fund</u>			
	<u>Local</u>	<u>PCOA (Act 735)</u>	<u>Totals</u>	
			<u>2001</u>	<u>2000</u>
<u>Revenues</u>				
Intergovernmental	\$ -	\$ 21,779	\$ 21,779	\$ 46,439
Public Support	2,519	-	2,519	3,981
Total Revenues	<u>2,519</u>	<u>21,779</u>	<u>24,298</u>	<u>50,420</u>
<u>Expenditures</u>				
Salaries	-	-	-	6,531
Fringe	-	-	-	633
Other Costs	4,816	-	4,816	6,763
Interest Payments	477	-	477	782
Total Expenditures	<u>5,293</u>	<u>-</u>	<u>5,293</u>	<u>14,709</u>
<u>Excess of Revenues Over</u>				
<u>Expenditures</u>	(2,774)	21,779	19,005	35,711
<u>Other Financing Sources (Uses)</u>				
Loan Proceeds	-	-	-	-
Operating Transfers In	-	-	-	3,320
Operating Transfers Out	-	(21,779)	(21,779)	(28,947)
Total Other Financing Sources (Uses)	-	(21,779)	(21,779)	(25,627)
<u>Excess of Revenues and Other</u>				
<u>Financing Sources Over</u>				
<u>Expenditures and Other</u>				
<u>Financing Uses</u>	(2,774)	-	(2,774)	10,084
<u>Fund Balance at Beginning of Year</u>	<u>(14,989)</u>	<u>-</u>	<u>(14,989)</u>	<u>(25,073)</u>
<u>FUND BALANCE AT</u>				
<u>END OF YEAR</u>	<u>\$ (17,763)</u>	<u>\$ -</u>	<u>\$ (17,763)</u>	<u>\$ (14,989)</u>

TENSAS COUNCIL ON THE AGING, INC.
ST. JOSEPH, LOUISIANA

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2001

WITH COMPARATIVE TOTALS FOR JUNE 30, 2000

	<u>Title III B</u> <u>Supportive</u> <u>Services</u>	<u>Title III F</u> <u>Disease</u> <u>Prevention</u>	<u>Senior</u> <u>Center</u>	<u>Supplemental</u> <u>Senior Center</u>
<u>ASSETS</u>				
Cash & Cash Equivalents	\$ -	\$ 1,126	\$ -	\$ -
Accounts Receivable	8,266	373	-	-
Due From Other Funds	-	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 8,266</u>	<u>\$ 1,499</u>	<u>\$ -</u>	<u>\$ -</u>
 <u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES</u>				
Cash Overdraft	\$ 10,833	\$ -	\$ -	\$ -
Accounts Payable	-	1,499	-	-
Accrued Expenses	1,528	-	-	-
Due To Other Funds	1,396	-	-	-
Total Liabilities	<u>13,757</u>	<u>1,499</u>	<u>-</u>	<u>-</u>
 Fund Balances:				
Reserved for:				
Utilities Assistance	-	-	-	-
Unreserved & Undesignated	<u>(5,491)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Equity	<u>(5,491)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>TOTAL LIABILITIES AND</u> <u>FUND EQUITY</u>	 <u>\$ 8,266</u>	 <u>\$ 1,499</u>	 <u>\$ -</u>	 <u>\$ -</u>

Utilities Assistance	Emergency Medical Services	Totals	
		2001	2000
\$ 382	\$ 951	\$ 2,459	\$ 355
-	-	8,639	1,830
-	-	-	2,670
<u>\$ 382</u>	<u>\$ 951</u>	<u>\$ 11,098</u>	<u>\$ 4,855</u>
\$ -	\$ -	\$ 10,833	\$ 118
-	-	1,499	1,216
-	-	1,528	-
-	-	1,396	-
<u>-</u>	<u>-</u>	<u>15,256</u>	<u>1,334</u>
382	-	382	2,163
-	951	(4,540)	1,358
<u>382</u>	<u>951</u>	<u>(4,158)</u>	<u>3,521</u>
<u>\$ 382</u>	<u>\$ 951</u>	<u>\$ 11,098</u>	<u>\$ 4,855</u>

TENSAS COUNCIL ON THE AGING, INC.
ST. JOSEPH, LOUISIANA

SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2000

	<u>Title III B</u> <u>Supportive</u> <u>Services</u>	<u>Title III F</u> <u>Disease</u> <u>Prevention</u>	<u>Senior</u> <u>Center</u>	<u>Supplemental</u> <u>Senior Center</u>
<u>REVENUES</u>				
Intergovernmental:				
North Delta Regional Planning and Development District, Inc.	\$ 33,430	\$ 1,686	\$ 17,122	\$ 4,158
Public Support:				
LA Association of Councils on Aging	-	-	-	-
Rental Income - EMS Units	-	-	-	-
Client Contributions	8,238	-	-	-
Total Public Support	<u>8,238</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Revenues	 41,668	 1,686	 17,122	 4,158
<u>EXPENDITURES</u>				
Current:				
Salaries	42,828	-	-	-
Fringe	3,630	-	-	-
Travel	1,933	-	-	-
Operating Services	38,707	-	-	-
Operating Supplies	3,120	1,686	-	-
Other Costs	-	-	-	-
Total Current Expenditures	<u>90,218</u>	<u>1,686</u>	<u>-</u>	<u>-</u>
 Capital Outlay	 -	 -	 -	 -
Utility Assistance	-	-	-	-
Total Expenditures	<u>90,218</u>	<u>1,686</u>	<u>-</u>	<u>-</u>
 <u>EXCESS (DEFICIENCY) OF</u> <u>REVENUES OVER</u> <u>EXPENDITURES</u>	 (48,550)	 -	 17,122	 4,158
<u>OTHER FINANCING SOURCES</u> <u>(USES)</u>				
Operating Transfers - In	43,059	-	-	-
Operating Transfers - Out	-	-	(17,122)	(4,158)
Total Other Financing Sources (Uses)	<u>43,059</u>	<u>-</u>	<u>(17,122)</u>	<u>(4,158)</u>
 <u>EXCESS OF REVENUES AND OTHER</u> <u>FINANCING SOURCES OVER</u> <u>EXPENDITURES AND OTHER FINANCING</u> <u>USES</u>	 (5,491)	 -	 -	 -
 <u>FUND BALANCES AT</u> <u>BEGINNING OF YEAR</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 <u>FUND BALANCES AT END OF YEAR</u>	 <u>\$ (5,491)</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

Utilities Assistance	Emergency Medical Services	Totals	
		2001	2000
\$ -	\$ -	\$ 56,396	\$ 58,840
1,011	-	1,011	1,032
-	2,764	2,764	2,647
95	-	8,333	4,920
<u>1,106</u>	<u>2,764</u>	<u>12,108</u>	<u>8,599</u>
1,106	2,764	68,504	67,439
-	-	42,828	52,121
-	-	3,630	4,589
-	-	1,933	1,645
-	3,171	41,878	24,990
-	-	4,806	8,332
-	-	-	-
-	<u>3,171</u>	<u>95,075</u>	<u>91,677</u>
-	-	-	-
<u>2,887</u>	<u>-</u>	<u>2,887</u>	<u>1,920</u>
2,887	3,171	97,962	93,597
(1,781)	(407)	(29,458)	(26,158)
-	-	43,059	48,657
-	-	(21,280)	(23,030)
-	-	<u>21,779</u>	<u>25,627</u>
(1,781)	(407)	(7,679)	(531)
<u>2,163</u>	<u>1,358</u>	<u>3,521</u>	<u>4,052</u>
<u>\$ 382</u>	<u>\$ 951</u>	<u>\$ (4,158)</u>	<u>\$ 3,521</u>

TENSAS COUNCIL ON THE AGING, INC.
ST. JOSEPH, LOUISIANA

SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VS. ACTUAL
CONTRACTS AND GRANTS PROVIDED THROUGH THE LOUISIANA
GOVERNOR'S OFFICE OF ELDERLY AFFAIRS (GOEA)

FOR THE YEAR ENDED JUNE 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>TITLE III B SUPPORTIVE SERVICES</u>			
Salaries	\$ 42,447	\$ 42,828	\$ (381)
Fringe Benefits	3,362	3,630	(268)
Travel	1,751	1,933	(182)
Operating Services	46,841	38,707	8,134
Operating Supplies	8,899	3,120	5,779
Other Costs	-	-	-
Subtotal	<u>103,300</u>	<u>90,218</u>	<u>13,082</u>
Transfers In From:			
PCOA (Act 735)	(21,779)	(21,779)	-
Senior Center	(18,530)	(17,122)	(1,408)
Supplemental Senior Center	(4,500)	(4,158)	(342)
Total III-B Supportive Services	<u>\$ 58,491</u>	<u>\$ 47,159</u>	<u>\$ 11,332</u>
<u>SENIOR CENTER</u>			
Transfers Out To:			
Title III B Supportive Services	\$ 15,468	\$ 17,122	\$ (1,654)
Total Senior Center	<u>\$ 15,468</u>	<u>\$ 17,122</u>	<u>\$ (1,654)</u>
<u>TITLE III F DISEASE PREVENTION</u>			
Operating Supplies	\$ 1,686	\$ 1,686	\$ -
Total III F Disease Prevention	<u>\$ 1,686</u>	<u>\$ 1,686</u>	<u>\$ -</u>
<u>SUPPLEMENTAL SENIOR CENTER</u>			
Transfers Out To:			
Title III B Supportive Services	\$ 4,198	\$ 4,158	\$ 40
Total Supplemental Senior Center	<u>\$ 4,198</u>	<u>\$ 4,158</u>	<u>\$ 40</u>
<u>PCOA (Act 735)</u>			
Transfers Out To:			
Title III B Supportive Services	\$ 21,779	\$ 21,779	\$ -
Total PCOA (Act 735)	<u>\$ 21,779</u>	<u>\$ 21,779</u>	<u>\$ -</u>

TENSAS COUNCIL ON THE AGING, INC.
ST. JOSEPH, LOUISIANA

SCHEDULE OF PRIORITY SERVICES-
TITLE III, PART B - GRANT FOR SUPPORTIVE SERVICES

FOR THE YEAR ENDED JUNE 30, 2001

			<u>% of OEA Grant</u>
Access (30%):	Assisted Transportation	\$ 11,054	
	Case Management	-	
	Transportation	11,034	
	Information and Assistance	9,258	
	Outreach	<u>13,811</u>	
	Total Access Expense		45,157 135.08%
In-Home (15%):	Homemaker	10,179	
	Chore	-	
	Telephoning	-	
	Visiting	-	
	Adult/Daycare Health	-	
	Personal Care	<u>-</u>	
	Total In-Home Expense		10,179 <u>30.45%</u>
Legal (5%):	Legal Assistance	-	<u>0.00%</u>
Priority Services		9,052	
Non-Priority Services		<u>20,339</u>	
Total Title III B-Supportive Expenditures		84,727	
Less: Participant Contributions		(5,411)	
Miscellaneous Revenues		-	
Other Local Funds		(2,827)	
Transfers In		<u>(43,059)</u>	
	Original Grant Award Net of Additional State Homemaker and Transportation Funds And Transfers of Contract Allotments		<u>\$ 33,430</u>

GENERAL FIXED ASSET ACCOUNT GROUP

TENSAS COUNCIL ON THE AGING, INC.
ST. JOSEPH, LOUISIANA

SCHEDULE OF GENERAL FIXED ASSETS

JUNE 30, 2001 AND 2000

	Balance June 30, 2000	Additions	Deletions	Balance June 30, 2001
<u>GENERAL FIXED ASSETS</u>				
Land & Buildings	\$ 4,000	\$ -	\$ 4,000	\$ -
Vehicles	62,026	-	-	62,026
Furniture & Fixtures	7,318	-	392	6,926
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 73,344</u>	<u>\$ -</u>	<u>\$ 4,392</u>	<u>\$ 68,952</u>
<u>INVESTMENT IN GENERAL FIXED ASSET</u>				
Property Acquired Prior to July 1, 1985 *	\$ 2,532	\$ -	\$ 2,532	\$ -
Property Acquired After July 1, 1985				
With Funds From:				
Title III C Area Agency on Aging	-	-	-	-
Donation	1,876	-	551	1,325
Title III D In-Home Services	-	-	-	-
Title XIX	2,296	-	-	2,296
Title III C-1	1,670	-	-	1,670
Title III C-2	-	-	-	-
Title III B Supportive Services	800	-	800	-
Senior Center	-	-	-	-
Local	3,108	-	147	2,961
Transportation Department	60,700	-	-	60,700
Title III F Preventive Health	362	-	362	-
<u>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</u>	<u>\$ 73,344</u>	<u>\$ -</u>	<u>\$ 4,392</u>	<u>\$ 68,952</u>

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

OTHER SUPPLEMENTAL INFORMATION –
GRANT ACTIVITY

TENSAS COUNCIL ON THE AGING INC.
ST. JOSEPH, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2001

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
<u>Programs Passed Through Governor's Office of Elderly Affairs:</u>				
Department of Health & Human Services - Administration on Aging:				
Special Programs for the Aging:				
Title III, Part B - Supportive Services and Senior Centers	93.044	\$ 42,787	\$ 42,787	\$ 42,787
Title III, Part D - In Home Services	93.046	-	-	-
Title III, Part F - Disease Prevention	93.043	1,686	1,686	1,686
Title XIX, Medical Assistance Program	93.778	-	-	-
		<u>44,473</u>	<u>44,473</u>	<u>44,473</u>
Total Department of Health and Human Services - Administration on Aging				
Department of Labor				
Employment and Training Administration				
Job Training Partnership Act	17.250	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL FEDERAL AWARDS</u>		<u>\$ 44,473</u>	<u>\$ 44,473</u>	<u>\$ 44,473</u>

TENSAS COUNCIL ON AGING, INC.
ST. JOSEPH, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2001

1. General

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Council. The Council did not pass through any of its federal awards to a subrecipient during the year.

2. Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting as contemplated under accounting principles generally accepted in the United States of America and which is the same basis of accounting used for presenting the general purpose financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

CAMERON, HINES & HARTT

(A Professional Accounting Corporation)

Certified Public Accountants

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P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

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

To The Board of Directors
Tensas Council on the Aging, Inc.
St. Joseph, Louisiana

We have audited the general purpose financial statements of the Tensas Council on the Aging, Inc., as of and for the year ended June 30, 2001 and have issued our report thereon dated November 29, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Tensas Council on the 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 test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Tensas Council on the Aging, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

To the Board of Directors
Tensas Council on the Aging, Inc.
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This report is intended solely for the information of management, the Governor's Office of Elderly Affairs and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Cameron, Hines & Hartt (APAC)

West Monroe, Louisiana
November 29, 2001

TENSAS COUNCIL ON THE AGING, INC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001

To the Board of Directors
Tensas Council on the Aging
St. Joseph, Louisiana

We have audited the general purpose financial statements of the Tensas Council on the Aging, Inc. as of and for the year ended June 30, 2001, and have issued our report thereon dated November 29, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2001, resulted in an unqualified opinion.

Section I- Summary of Auditor's Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness ___ yes X no Reportable Conditions ___ yes X no

Compliance

Compliance Material to Financial Statements ___ yes X no

B. Federal Awards

Internal Control

Material Weakness ___ yes X no Reportable Conditions ___ yes X no

Type of Opinion on Compliance Unqualified ___ Qualified ___
For Major Programs (No Major Programs) Disclaimer ___ Adverse ___

Are their findings required to be reported in accordance with Circular A-133, Section .510 (a)? NO

C. Identification of Major Programs: N/A

CFDA Number(s) Name of Federal Program (or cluster)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? N/A

TENSAS COUNCIL ON THE AGING, INC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001

(Continued)

Section II- Financial Statement Findings

This section not applicable for the current year.

Section III- Federal Award Findings and Question Costs- N/A

TENSAS COUNCIL ON THE AGING, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2001

Section I- Internal Control and Compliance Material to the Financial Statements

00-1 Fund Accounting

Condition:

The Council does not have a formal fund accounting system. Expenditures such as salaries, fringe and supplies are allocated at year end manually across the funds for which they apply.

Recommendation:

The Council should look into purchasing software that supports separate funds and can allocate revenues and expenditures based on an allocation percentage.

Current Status:

The Council is currently using the MIP computer software program to account for all transactions.

Section II- Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III- Management Letter

This section is not applicable for this entity.