
ST. TAMMANY COUNCIL ON THE AGING, INC.

FINANCIAL STATEMENTS AND SCHEDULES

JUNE 30, 2010

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 3/9/11

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ST. TAMMANY COUNCIL ON THE AGING, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Directors
St. Tammany Council on the Aging, Inc.

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Tammany Council on the Aging, Inc. (the Council) as of and for the year ended June 30, 2010, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Tammany Council on the Aging, Inc. as of June 30, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2010, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 13 and 46 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's financial statements as a whole. The accompanying combining schedule of revenues, expenditures, and changes in fund balance – nonmajor governmental funds and the comparative schedule of capital assets and changes in capital assets on pages 52 and 53 are presented for purposes of additional analysis as required by the Governor's Office of Elderly Affairs. The accompanying Schedule of Expenditures of Federal Awards on page 54 is presented for purposes of additional analysis as required by the U.S. office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements. The accompanying combining schedule of revenues, expenditures, and changes in fund balance – nonmajor governmental funds, the comparative schedule of capital assets and changes in capital assets and the schedule of expenditures of federal awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Metairie, Louisiana
December 30, 2010

ST. TAMMANY COUNCIL ON THE AGING, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2010

The Management's Discussion and Analysis of St. Tammany Council on the Aging, Inc. (the Council), presents a narrative overview of the financial performance and activities of the Council for the year ended June 30, 2010. This document focuses on the current year's activities, resulting changes, and currently known facts. Also, this document should be read in conjunction with the basic financial statements, which follow.

FINANCIAL HIGHLIGHTS

- The Council showed an increase in overall net assets of \$690,263 or 26.9%.
- Net capital assets of the Council decreased by \$95,653, or 14.9%.
- The Council's fund revenues decreased by \$147,074, or 6.3%.
- The Council's fund expenditures decreased by \$224,924, or 14.2%.
- The unreserved, undesignated fund balance for the Council's General Fund was \$2,382,832, at June 30, 2010, which is a \$746,263 or 31.3% increase from the prior year.
- No deficit fund balances existed as of June 30, 2010.
- At June 30, 2010 the Council's special revenue fund for Utility Assistance had a fund balance of \$7,651. This was the only special revenue fund that had a fund balance at year-end.
- The Council made \$24,888 in principal repayments during the year.

HOW TO USE THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets on page 14 and the Statement of Activities on page 15 provide information about the activities of the Council as a whole and present a long-term view of the Council's finances. Fund financial statements begin on page 16. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Council's operations in more detail than the government-wide financial statements by providing information about the Council's most significant funds.

The Council's auditor has provided assurance in the independent auditor's report, located immediately before this Management's Discussion and Analysis, that the basic financial statements are fairly stated. The auditor also provides in the report assurance about the Supplementary Financial Information required by GASB Statement 34, the Governor's Office of Elderly Affairs, and OMB Circular A-133 that follow later in this reporting package. A user of this document should read the independent auditor's report carefully to ascertain the level of assurance being provided for each part of the financial section of the report.

REPORTING THE COUNCIL AS A WHOLE USING GOVERNMENT-WIDE STATEMENTS

Management's analysis of the Council as a whole begins on page 3. An important point to consider is whether the Council's finances, as a whole, are better or worse off as a result of this year's activities. The Statement of Net Assets and the Statement of Activities (referred to collectively as the Government-Wide Financial Statements) report information about the Council as a whole and about its activities in a way that helps when considering this point. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

ST. TAMMANY COUNCIL ON THE AGING, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2010

The government-wide financial statements report the Council's net assets and changes in them. As of June 30, 2010, \$59,651 of the net assets are restricted, which means they can only be used for a specific purpose, whereas \$2,324,938 of the net assets are unrestricted, meaning they can be used for any program at management's discretion along with Board approval. Approximately \$700,000 of the unrestricted net assets has been designated as a Working Capital Reserve, the purpose of which is to have available resources to systematically phase out programs in the event of funding cancellation or delay by either legislative action or policy changes. It is important for the Council to have unrestricted net assets in order to have resources available to respond to reductions in funding, emergencies, or program terminations. Additionally, the Council has \$184,423 invested in capital assets, net of related debt, giving it \$2,569,012 in total Net Assets. The Statement of Net Assets is designed to present the financial position of the Council as of year-end. Over time, increases or decreases in the Council's net assets are one indicator of whether its financial position is improving or deteriorating. However, to assess the overall financial position of the Council, the reader must consider other non-financial factors, such as the condition of the Council's capital assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

The Statement of Activities provides information that shows how the Council's net assets changed as a result of this year's activities. All of the Council's significant activities are reported in the Statement of Activities, including an Administration function and a Health, Welfare, and Social Services function. The Health, Welfare, and Social Services function is comprised of nine primary programs that include supportive social services, nutritional services, disease prevention and health promotion, family caregiver support, senior citizen center operations, Senior Olympics, and Resource Festival. Subprogram activities are also presented to facilitate additional analysis. All activities of the Council are considered to be governmental activities. A governmental activity is usually one where the Council uses money it receives from property taxes, governmental grants and contracts, along with donations from the general public, to provide services at little or no charge to the general public, or a segment of the general public, such as the elderly. If the Council charged fees with the intention of making a profit or recovering the full cost of providing the service, that activity would be classified as a business-type activity.

The Council does not have any business-type activities nor did it directly charge a fee to any eligible person receiving any registered service during the year. However, to help offset the costs of providing its services, the Council charged \$858 for transportation services. In addition, the Council held a major event, the Senior Olympics, in which participation required a fee. The Council received \$2,305 in entry fees and the money was used to offset the costs of holding the event. The Council also held a Resource Festival and charged a booth fee of \$250 to each company wanting to participate in the festival. A total of \$3,400 in booth fees was collected.

REPORTING THE COUNCIL'S MOST SIGNIFICANT FUNDS USING FUND FINANCIAL STATEMENTS

The Fund Financial Statements on pages 16 through 18 provide detailed information about the Council's most significant funds, not the Council as a whole entity. In the Fund Financial Statements, there are column presentations for a General Fund, three Special Revenue Funds that have been determined to be "Major Funds", and a column for the total of all remaining Special Revenue Funds, which are deemed to be "Non Major Funds". The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The Special Revenue Funds account for the proceeds of specific revenue sources which are legally restricted to expenditures for specified purposes. By using

ST. TAMMANY COUNCIL ON THE AGING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2010

separate funds to track revenues and expenditures, management can control funds for particular purposes or show that the fund is meeting legal responsibilities for using certain grants and other revenues.

The General Fund and Special Revenue Funds are considered governmental funds. Governmental funds focus on how money flows into and out of funds and the balances left as of June 30, 2010 that are available for spending. These funds are reported using an accounting method called the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Council's general government operations and the basic services it provides. Governmental fund information helps the reader to determine whether there are more or fewer financial resources that can be spent in the near future for Council programs. The difference between net assets of governmental activities and fund balances of the governmental funds is reconciled at the bottom of the Balance Sheet for Governmental Funds. In addition, the difference between the change in fund balances for the governmental funds and the change in net assets for the governmental activities has been reconciled on a separate page that follows the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds. These two reconciliations will facilitate the comparison between governmental activities and funds.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 19 to 45 and should be read before making assumptions or drawing conclusions about the Council's financial condition.

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GASB STATEMENT 34

The Governmental Accounting Standards Board (GASB) Statement 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has an adopted annual budget. The schedules compare the original and final budgets to actual budget results for the Council's fiscal year. Positive and negative variances between the final budget and actual amounts are also presented.

Major funds are those funds whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a major fund could be a fund that does not meet these criteria but which is believed to be important to present to the Council's financial statement users. Management did not consider any fund that did not meet one of the 10% quantitative criteria to be a major fund this year.

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

OTHER SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present as schedules the information on pages 52 and 53. This information will be used by GOEA to verify the accuracy of information submitted by the Council during the year to help GOEA monitor certain compliance requirements set forth in the grants it has with the Council.

ST. TAMMANY COUNCIL ON THE AGING, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2010

SUPPLEMENTAL INFORMATION REQUIRED BY OMB CIRCULAR A-133

OMB Circular A-133 requires a Schedule of Expenditures of Federal Awards to be included as supplemental information. This schedule presents information about the Council's federally funded programs in a manner that can facilitate financial and compliance analysis by the agencies that have granted federal money to the Council. (See page 54)

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

The following amounts reflect condensed information on the Council's net assets:

	2010	2009	Increase/(Decrease)	
			Amount	Percent
Current and Other Assets:				
Current Assets	\$ 2,488,627	\$ 1,734,134	\$ 754,493	43.5%
Capital Assets, net of depreciation	638,822	734,475	(95,653)	-13.0%
Total Assets	3,127,449	2,468,609	658,840	26.7%
Current Liabilities	129,606	135,737	(6,131)	-4.5%
Notes payable, net of current portion	428,831	454,123	(25,292)	-5.6%
Total Liabilities	558,437	589,860	(31,423)	-5.3%
Net Assets:				
Invested in Capital Assets	184,423	255,188	(70,765)	-27.7%
Restricted	59,651	59,469	182	0.3%
Unrestricted	2,324,938	1,564,092	760,846	48.6%
Total Net Assets	\$ 2,569,012	\$ 1,878,749	\$ 690,263	36.7%

As of June 30, 2010, the Council "as a whole" had assets greater than its liabilities of \$2,569,012 whereas at the end of last year the Council's net assets were \$1,878,749. About 90% and 83% of the Council's total net assets are unrestricted as of June 30, 2010 and 2009, respectively. Unrestricted net assets are important because they provide the financial resources management will need to adapt to changes in the economy, emergencies, unanticipated service needs, and a reduction in or termination of grant revenues by government agencies.

The Council's restricted net assets represent about 2.3% (3.2% for 2009) of the Council's total net assets as of June 30, 2010. Net assets are reported as restricted when the constraints placed upon the assets' use are either (a) externally imposed by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

The net assets invested in capital assets are presented net of any related outstanding debt to acquire them. For the year presented, there is \$454,399 of debt subtracted from the capital asset amount due to a notes payable that was secured to finance a portion of the purchase of a new administration building during fiscal year 2007.

ST. TAMMANY COUNCIL ON THE AGING, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2010

Current liabilities consist primarily of accounts payable to vendors totaling \$62,080 (\$65,061 in FY 2009) and accrued payroll and related liabilities that are due in the normal course of operations totaling \$31,884 (\$20,215 in FY 2009). Also included is \$10,074 (\$25,297 for FY 2009) for compensated absences that represents the Council's aggregate liability for unpaid vacation leave that its employees had earned, but not taken as of June 30, 2010.

The table below illustrates the revenues and expenses that produced the increase in net assets for the fiscal year.

<u>Revenues</u>	<u>2010</u>	<u>% of Total</u>	<u>2009</u>	<u>% of Total</u>
Program Revenues:				
Operating Grants and Contributions	\$ 777,056	33.35%	\$ 827,818	35.92%
Charges for Services	6,563	0.28%	23,778	1.03%
General Revenues:				
Property Taxes	1,226,325	52.63%	1,121,522	48.66%
Unrestricted Grants and Contributions	217,203	9.32%	218,626	9.49%
State Revenue Sharing	34,935	1.50%	35,261	1.53%
Interest Income	4,836	0.21%	9,191	0.40%
Other General Revenues	63,169	2.71%	68,570	2.98%
Total Revenues	2,330,087	100.00%	2,304,766	100.00%
Direct Program Expenses of the Health, Welfare, and Social Services Functions:				
Supportive Services:				
Transportation of the elderly	548,395	33.44%	601,441	31.59%
Other Supportive Services	84,903	5.18%	114,589	6.02%
Nutrition Services:				
Congregate Meals	241,914	14.75%	243,285	12.78%
Home-delivered Meals	415,651	25.35%	582,351	30.58%
Disease Prevention and Health Promotion	26,482	1.61%	18,335	0.96%
Family Caregiver Support	72,355	4.41%	113,729	5.97%
Alzheimer's Caregiver Assistance	-	0.00%	3,656	0.19%
Senior Center Operations	123,257	7.52%	82,600	4.34%
Senior Olympics	3,786	0.23%	4,913	0.26%
Resource Festival	9,033	0.55%	16,298	0.86%
Direct Administrative Expenses	114,048	6.95%	122,885	6.45%
Total Expenses	1,639,824	100.00%	1,904,082	100.00%
Increase in Net Assets	690,263		400,684	
Net Assets, beginning of the year	1,878,749		1,478,065	
Net Assets, end of the year	\$ 2,569,012		\$ 1,878,749	

The table above presents in a more summarized version the revenues and expenses of the Council's governmental activities for FY 2010 and FY 2009.

The majority of the Council's activities are funded by a local property tax and federal and state grants.

ST. TAMMANY COUNCIL ON THE AGING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2010

One of the Council's largest sources of revenues in both years was from a local property tax. The gross proceeds of the property tax were \$1,265,920 for this year compared to \$1,160,427 for last year. The St. Tammany Parish Sheriff withheld \$39,595 in FY 2010 (\$38,905 in FY 2009) of the gross proceeds to pay for the Council's pro-rata share of parish-wide expenses, which resulted in the Council receiving net property tax proceeds of \$1,226,325 for FY 2010 and \$1,121,522 for FY 2009. In the Statement of Activities, the net proceeds of the property taxes has been presented as general revenues because this money can be used to benefit any of the Council's programs. Further, management has elected to offset the gross property tax amount with the amount kept by the Sheriff rather than add it to the Council's administrative expenses because it is in substance not an administrative expense of the Council. The net proceeds of the property tax represent 52% (48% for FY 2009) of the Council's total governmental activity revenue this year.

Program revenues, which are comprised mainly of government grants and restricted public support, amounted to \$777,056 this year (\$851,596 last year), or about 34% this year (38% last year) of the Council's total governmental activity revenues. These revenues must be used for the purposes for which they were given or granted to the Council.

The Council also received \$217,203 (\$218,626 last year) of unrestricted public support and grants, which was available for management to use at its discretion. This type of revenue comprised about 9.3% of the Council's revenues in 2010 versus 9.6% last year.

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

The Council had a \$690,263 increase (\$400,684 increase last year) in its net assets for the year. This is a change of \$289,579 between FY 2010 and FY 2009.

AN ANALYSIS OF GOVERNMENTAL ACTIVITIES

When reviewing the government-wide Statement of Activities, there are relationships that are important to the understanding of the Council's operations. As you can see, the Council's largest activities are transportation and nutrition services. The Council's main focus is to meet the needs of the elderly citizens of St. Tammany Parish and consider these two services are in the greatest demand. However, there is a growing demand for in-home type services and services geared to help individuals stay in their homes and remain in the community. These in-home services include homemaker, disease prevention and health promotion, and family caregiver type services. The Council's management has identified caregiver services as a priority and plans to adjust its budget to reallocate available resources to meet the demands of this program and other in-home programs.

ST. TAMMANY COUNCIL ON THE AGING, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2010

Another area of interest on the Statement of Activities relates to the total column wherein the Council illustrates that virtually all of the governmental activities have more expenses than revenues. In other words, they are not self-supporting. Management's ability to provide these governmental activities is heavily dependent upon general revenues, particularly the local property tax. This financial relationship is expected and budgets are prepared accordingly. Traditionally, general revenues are used to cover the excess of expenses over revenues in these activities. Without the property tax revenue and the unrestricted grants and contributions, management would have a difficult time providing services at current levels. Further, the general nature of these revenues allows management discretion as to how to apply them in paying for the Council's current services, as well as reallocating them to meet future demands.

Another indication of how money is used efficiently can be analyzed by comparing the amount of administration costs from year to year, as well as calculating the percentage administration expenses in relation to total expenses. For 2010, total administration expenses were \$563,043 (\$664,749 for FY 2009), or 34.3% of total current year expenses (33.4% last year). Administration expenses include indirect type costs, meaning these are costs not specifically identified with a particular program, but benefit all programs.

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

Fund Balances

The Council showed a combined governmental fund balance of \$2,394,663 (as shown on the Fund Financial Statements Balance Sheets on page 16) at the end of this year, which is an increase of \$745,805 from the prior year's combined fund balance of \$1,648,858. The General Fund increased by \$745,623 this year, and the combined fund balances of the Special Revenue Funds increased by \$182.

Revenues

The combined fund revenues decreased \$147,074 this year, as shown in the table below.

	2010	2009	Increase/(Decrease)	
			Amount	Percent
Property Taxes	\$ 1,226,325	\$ 1,160,427	\$ 65,898	5.7%
Intergovernmental	950,099	1,117,916	(167,817)	-15.0%
Public Support	69,395	87,579	(18,184)	-20.8%
Interest Income	4,836	9,191	(4,355)	-47.4%
Program Service Fees	3,163	8,150	(4,987)	-61.2%
Special Events & Fundraising	13,100	25,328	(12,228)	-48.3%
Miscellaneous	63,169	68,570	(5,401)	-7.9%
Total Revenues	\$ 2,330,087	\$ 2,477,161	\$ (147,074)	-5.9%

The most significant decrease in revenues was intergovernmental revenue, which decreased approximately \$167,817 or (-15.0%), primarily due to the Council not receiving funds from the Department of Transportation Section 5311 grant.

Property taxes increased by about \$65,898 in FY 2010 which is primarily due to an increase in property tax assessments.

ST. TAMMANY COUNCIL ON THE AGING, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2010

Interest income decreased \$4,355 (-47.4%) in FY 2010 versus \$18,555 (-47.4%) in FY 2009 because of falling interest rates and the maturing of the Council's certificate of deposit.

All other revenue categories did not increase or decrease significantly from last year. Accordingly, management has not provided any discussion.

Expenditures

Total combined fund expenditures decreased by \$698,192 this year, as shown in the table below.

	2010	2009	Increase/(Decrease)	
			Amount	Percent
Personnel	\$ 545,042	\$ 582,572	\$ (37,530)	-6.4%
Fringe	88,831	167,408	(78,577)	-46.9%
Travel	9,386	6,163	3,223	52.3%
Operating Services	343,889	330,362	13,527	4.1%
Operating Supplies	91,024	104,877	(13,853)	-13.2%
Other Costs	23,267	18,422	4,845	26.3%
Full Service Contracts	45,869	56,184	(10,315)	-18.4%
Meals	322,694	378,594	(55,900)	-14.8%
Utility Assistance	10,515	5,915	4,600	77.8%
Caregiver Vouchers	38,874	52,375	(13,501)	-25.8%
Special events and fundraising	9,033	10,683	(1,650)	100.0%
Debt Service	55,858	55,858	-	0.0%
Intergovernmental	-	39,793	(39,793)	-100.0%
	<u>\$ 1,584,282</u>	<u>\$ 1,809,206</u>	<u>\$ (224,924)</u>	<u>-12.4%</u>

Personnel costs and fringe benefits decreased as compared to FY 2009 as a direct result of a reduction in the number of employees during FY 2009 and 2010.

Operating service expenditures increased about \$13,527 in 2010 from 2009 primarily due to an increase in rent and utilities expense.

Operating supplies decreased by about \$13,853 from last year primarily because gasoline costs decreased.

Meals costs decreased by about \$55,900 as a result of a decrease in the number of days of serviced and a decrease in customers receiving meals during FY 2010.

Intergovernmental expenditures decreased slightly. This expenditure is totally dependent upon what the Sheriff's office withholds each year from the Council's gross property tax collections to pay for the Council's share of pension costs for other governments.

Travel, other costs, full service contracts utility assistance, and caregiver vouchers expenditures remained about the same for both 2010 and 2009.

ST. TAMMANY COUNCIL ON THE AGING, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2010

AN ANALYSIS OF THE GENERAL FUND BUDGET

The Council's budget was amended once during the fiscal year with the Board of Directors approving the final amendment on April 16, 2010. The amendment effectively approved any expenditure already incurred that exceeded its original budgeted amount. The primary reasons for amending the budget are to account for unanticipated changes in both revenues and expenditures, and to prevent compliance violations under the Council's grants from GOEA.

A schedule of the original and amended budgets for the General Fund can be found in the Supplementary Financial Information Required by GASB Statement 34 section of this report on page 46.

On both the original budget and the amended final budget, management predicted the Council would operate this year at a "breakeven" level. However, when comparing the final budget to actual amounts for the General Fund, the reader will note the Council had a net favorable variance of \$105,632. This net favorable variance can be attributed primarily to better than expected revenues \$34,933 and a decrease in expected spending of \$70,699.

The explanations above account for the most significant variances for the General Fund's budget. The remaining variances within the General Fund are within the expectations of management. The General Fund's budget can be reviewed on page 46.

ST. TAMMANY COUNCIL ON THE AGING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2010

AN ANALYSIS OF CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2010, the Council had \$638,822 in capital assets net of accumulated depreciation. Depreciation expense for the year was \$95,653 and as of June 30, 2010 the total accumulated depreciation was \$475,159.

Capital Assets, Net of Depreciation

	2010	2009	Increase (Decrease)
Building	\$ 563,135	\$ 590,372	\$ (27,237)
Vehicles	53,424	123,660	(70,236)
Office Furniture & Equip.	225	450	(225)
Comp. Equip. & Software	8,142	11,221	(3,079)
Leasehold Improvements	12,973	7,790	5,183
Nutrition Equipment	923	983	(60)
	<u>\$ 638,822</u>	<u>\$ 734,476</u>	<u>\$ (95,654)</u>

During FY 2010, the Council did not acquire any capital assets, however, the Council did sell 6 of its vehicles at an auction. The vehicles were fully depreciated and the Council recognized a small gain on the sale. As of June 30, 2010, all 11 vans were considered operational.

As of June 30, 2010, the Council has a note payable balance of \$454,399 related to the purchase of the new building in FY 2007. The monthly note payments are approximately the same amount as the monthly rental of the previous building. The Council made \$24,888 in principal repayments during the year.

ST. TAMMANY COUNCIL ON THE AGING, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2010

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Council receives most of its funding from federal and state agencies. Because of this, the source of income for the Council is rather steady. However, some of the Council's grants and contracts are contingent upon the level of services provided by the Council, and therefore, revenues may vary from year to year.

In setting its budget for fiscal year 2011, it was important to management that at least the same level of service be delivered to clients and the public as were provided in FY 2010. All the Council's grants and contracts from the usual federal and state agencies have been approved for FY 2011. There have been no significant changes to the funding levels or terms of the grants and contracts. Management has budgeted \$2,304,411 of revenues and expenditures for the Council's programs in FY 2011. The Governor's Office of Elderly Affairs (GOEA) has approved the Council's initial budget for fiscal year 2011.

The Council also receives a significant amount of revenue from a property tax and based on current information available, it appears that the Council will continue to receive at least the same amount of property taxes in 2011 as it did in 2010. In the event property values are adjusted downward producing a decline in property tax revenues, management believes it has sufficient unrestricted and unreserved funds available to absorb the impact and not have to cut services to its clients.

CONTACTING THE COUNCIL'S MANAGEMENT

Our financial report is designed to provide government agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask for more information, you should contact Mary Toti, Executive Director, P.O. Box 171, Covington, Louisiana, 70434 (physical address - 72060 Ramos Avenue, Covington, Louisiana, 70433); (985) 892-0377; coast@coastseniors.org.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ST. TAMMANY COUNCIL ON THE AGING, INC.**STATEMENT OF NET ASSETS****JUNE 30, 2010****ASSETS**

Cash and cash equivalents	\$ 2,429,728
Receivables	54,719
Prepaid expenses	4,180
Capital assets, net of accumulated depreciation	638,822
Total assets	<u>\$ 3,127,449</u>

LIABILITIES AND NET ASSETS

Accounts payable to various vendors	\$ 62,080
Accrued payroll and related liabilities	31,884
Compensated absences - unpaid accumulated vacation leave	10,074
Note payable:	
Due in one year	25,568
Due in more than one year	428,831
Total liabilities	<u>\$ 558,437</u>

Net assets:	
Invested in capital assets, net of related debt	\$ 184,423
Restricted for:	
Utility assistance	7,651
Slidell Senior Center's roof	52,000
Unrestricted	2,324,938
Total net assets	<u>\$ 2,569,012</u>

The accompanying notes are an integral part of this statement.

ST. TAMMANY COUNCIL ON THE AGING, INC.STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

Function/Programs	Direct expenses	Indirect expenses	Charges for services	Program revenues		Total governmental activities	Net (expense) revenue and increase (decrease) in net assets
				Operating grants and contributions	Capital grants and contributions		
Governmental activities							
Health, welfare and social services:							
Supportive services:							
Transportation	\$ 385,185	\$ 163,210	\$ 858	\$ 173,948	\$ -	\$ (373,589)	
Homemaker	24,629	-	-	10,799	-	(13,830)	
Legal	14,000	-	-	6,139	-	(7,861)	
Information and assistance	4,064	2,056	-	630	-	(5,490)	
Outreach	977	486	-	641	-	(822)	
Recreation	6,161	3,065	-	4,045	-	(5,181)	
Medic alert	7,240	-	-	3,175	-	(4,065)	
Other services	7,820	3,890	-	-	-	(11,710)	
Utility assistance	10,515	-	-	10,697	-	182	
Nutrition services:							
Congregate meals	160,280	81,634	-	153,729	-	(88,185)	
Home delivered meals	277,574	138,077	-	278,353	-	(137,298)	
Disease prevention and health promotion	17,684	8,798	-	24,930	-	(1,552)	
Family caregiver support	61,233	11,122	-	39,795	-	(32,560)	
Senior center operations	86,600	36,657	-	-	-	(123,257)	
Senior Olympics	3,786	-	2,305	3,200	-	1,719	
Resource Festival	9,033	-	3,400	9,700	-	4,067	
Administration	563,043	(448,995)	-	57,275	-	(56,773)	
Total governmental activities	\$ 1,639,824	\$ -	\$ 6,563	\$ 777,056	\$ -	\$ (856,205)	
General revenues:							
Grants and contributions not restricted to specific programs					\$ 217,203		
State revenue sharing					34,935		
Property taxes, net of \$39,595 retained by the Parish					1,226,325		
Miscellaneous income					63,169		
Interest income					4,836		
Total general revenues					<u>1,546,468</u>		
Increase in net assets						690,263	
Net assets - beginning of the year						<u>1,878,749</u>	
Net assets - end of the year						<u>\$ 2,569,012</u>	

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

ST. TAMMANY COUNCIL ON THE AGING, INC.FUND BALANCE SHEETJUNE 30, 2010

	General Fund	Title III B	Title III C-1	Title III C-2	Non- Major Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 2,367,905	\$ 24,597	\$ 14,356	\$ 14,356	\$ 8,514	\$ 2,429,728
Receivables:						
Property Taxes - St. Tammany Parish Sheriff	29,817	-	-	-	-	29,817
City of Slidell	21,000	-	-	-	-	21,000
City of Covington	2,000	-	-	-	-	2,000
Other	1,902	-	-	-	-	1,902
Prepaid expenditures	2,780	-	-	-	-	2,780
Security deposit for main office lease	1,400	-	-	-	-	1,400
Total Assets	<u>\$ 2,426,804</u>	<u>\$ 24,597</u>	<u>\$ 14,356</u>	<u>\$ 14,356</u>	<u>\$ 8,514</u>	<u>\$ 2,488,627</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable to various vendors	\$ 7,908	\$ 24,597	\$ 14,356	\$ 14,356	\$ 863	\$ 62,080
Accrued payroll and related withholdings and expenses	31,884	-	-	-	-	31,884
Total Liabilities	<u>39,792</u>	<u>24,597</u>	<u>14,356</u>	<u>14,356</u>	<u>863</u>	<u>93,964</u>
Fund Balances						
Reserved, reported in:						
General Fund:						
Prepaid expenditures	2,780	-	-	-	-	2,780
Security deposit for main office	1,400	-	-	-	-	1,400
Unreserved/Undesignated, reported in:						
General Fund	2,382,832	-	-	-	-	2,382,832
Special Revenue Funds	-	-	-	-	7,651	7,651
Total Fund Balances	<u>2,387,012</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,651</u>	<u>2,394,663</u>
Total Liabilities and Fund Balances	<u>\$ 2,426,804</u>	<u>\$ 24,597</u>	<u>\$ 14,356</u>	<u>\$ 14,356</u>	<u>\$ 8,514</u>	

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

- Compensated absences are not paid for out of current financial resources and therefore are not reported as liabilities in the governmental funds	(10,074)
- Notes payable are not due and payable in the current period and accordingly are not reported as liabilities in the governmental funds	(454,399)
- Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds	638,822

Net Assets of Governmental Activities \$ 2,569,012

The accompanying notes are an integral part of this statement.

ST. TAMMANY COUNCIL ON THE AGING, INC.

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	General Fund	Title III B	Title III C-1	Title III C-2	Nonmajor Funds	Total Governmental Funds
REVENUES						
Intergovernmental:						
Governor's Office of Elderly Affairs (GOEA) - primary grants	\$ 62,840	\$ 173,312	\$ 128,088	\$ 123,882	\$ 404,042	\$ 892,164
State revenue sharing	34,935	-	-	-	-	34,935
City of Slidell	21,000	-	-	-	-	21,000
City of Covington	2,000	-	-	-	-	2,000
Property taxes	1,226,325	-	-	-	-	1,226,325
Public support (restricted):						
Client contributions for specific services	-	1,601	25,641	6,348	-	33,590
Contributions for restricted purposes	5,284	-	-	-	-	5,284
Sponsorships and donations for Senior Olympics	3,200	-	-	-	-	3,200
Utility companies for utility assistance	-	-	-	-	10,697	10,697
United Way	-	-	-	5,025	-	5,025
Public support (unrestricted):						
General public donations	11,599	-	-	-	-	11,599
Programs service fees (charges for services):						
Transportation	-	858	-	-	-	858
Entry fees for Senior Olympics	2,305	-	-	-	-	2,305
Interest income	4,836	-	-	-	-	4,836
Special events and fundraising	13,100	-	-	-	-	13,100
Miscellaneous income	63,169	-	-	-	-	63,169
Total revenues	1,450,593	175,771	153,729	135,255	414,739	2,330,087
EXPENDITURES						
Health, welfare, and social services:						
Current:						
Personnel	3,057	245,743	80,350	112,466	103,426	545,042
Fringe	518	41,178	12,099	17,534	17,502	88,831
Travel	36	3,342	1,337	2,418	2,253	9,386
Operating services	1,319	161,920	31,514	61,325	87,811	343,889
Operating supplies	150	56,144	4,011	13,580	17,139	91,024
Other costs	5,226	5,199	2,403	4,292	6,147	23,267
Full service contracts	-	45,869	-	-	-	45,869
Meals	-	-	109,808	212,886	-	322,694
Utility assistance	-	-	-	-	10,515	10,515
Caregiver vouchers	-	-	-	-	38,874	38,874
Special events and fundraising	9,033	-	-	-	-	9,033
Debt service:						
Principal retirement	24,888	-	-	-	-	24,888
Interest and bank charges	30,970	-	-	-	-	30,970
Total expenditures	75,197	559,395	241,522	424,501	283,667	1,584,282
Excess of revenues over (under) expenditures	1,375,396	(383,624)	(87,793)	(289,246)	131,072	745,805
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	383,624	87,793	289,246	32,783	793,446
Operating transfers out	(629,773)	-	-	-	(163,673)	(793,446)
Net increase in fund balance	745,623	-	-	-	182	745,805
FUND BALANCE						
Beginning of year	1,641,389	-	-	-	7,469	1,648,858
End of year	\$ 2,387,012	\$ -	\$ -	\$ -	\$ 7,651	\$ 2,394,663

The accompanying notes are an integral part of this statement.

ST. TAMMANY COUNCIL ON THE AGING, INC.RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

Net increase in fund balances - total governmental funds		\$ 745,805
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This reconciling amount is the amount by which capital outlays exceed depreciation in the current period.

Capital outlays	\$ -	
Depreciation expense	<u>(95,653)</u>	(95,653)

Loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of notes is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Principal repayments		24,888
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences - unpaid accumulated vacation leave		<u>15,223</u>
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Increase in net assets of governmental activities		<u>\$ 690,263</u>
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The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

(1) Purpose of the Council on Aging and Summary of Significant Accounting Policies

The accounting and reporting policies of St. Tammany Council on the Aging, Inc. (the Council) conform to the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The following is a summary of certain significant accounting policies used by the Council:

a. Purpose of the Council on Aging:

The purpose of the Council is to collect facts and statistics and make special studies of conditions pertaining to the employment, financial status, recreation, social adjustment, mental and physical health or other conditions affecting the welfare of the aging people in St. Tammany Parish; to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States; to interpret its findings to the citizens of the parish and state; to provide for the mutual exchange of ideas and information on the parish and state level; to conduct public meetings; to make recommendations for needed improvements and additional resources; to promote the welfare of aging people; to coordinate and monitor services of other local agencies serving the aging people of the parish; to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA) and other departments of state and local government serving the elderly and; to make recommendations relevant to the planning and delivery of services to the elderly of the Parish.

Specific services provided by the Council to the elderly residents of St. Tammany Parish include providing congregate and home delivered meals, nutritional education, information and assistance, outreach, material aid, home repairs, medication management, medic alert units, in-home respite, personal care, sitter services, support groups, public education, senior centers, emergency utility assistance, homemakers, recreation, legal assistance, wellness, Alzheimer's caregiver assistance, income tax assistance and transportation. The Council also provides transportation services to the general public, primarily the elderly, of St. Tammany Parish.

b. Reporting Entity:

In 1964, the State of Louisiana passed Act 456 authorizing the charter of a voluntary council on aging for the welfare of the aging people in each parish of Louisiana. In 1979, the Louisiana Legislature created the Governor's Office of Elderly Affairs (GOEA) (La. R.S. 46:931) with the specific intention to administer and coordinate social services and programs for the elderly population of Louisiana through sixty-four parish voluntary councils on aging.

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

**(1) Purpose of the Council on Aging and Summary of Significant Accounting Policies
(continued)**

b. Reporting Entity (continued):

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

St. Tammany Council on the Aging, Inc. (the Council) is a legally separate, non-profit, quasi-public corporation. The Council received its charter from the Governor of the State of Louisiana on April 4, 1967 and subsequently incorporated on September 5, 1968 under the provisions of Title 12, Chapter 2 of the Louisiana Revised Statutes.

A board of directors, consisting of 16 voluntary members, who serve three-year terms, governs the Council. Each member may serve no more than two consecutive terms. Any board member who has served two consecutive terms is ineligible to serve on the board of directors for one year. Reasonable efforts are made to maintain a board of directors whose composition will be representative of the population of St. Tammany Parish. Nominations to fill expiring terms of board members are made in June to the Council's Membership Committee that will consider and screen the nominations. The Membership Committee nominates who it believes to be the best-qualified persons to the full board. The members of the Council elect board members at their annual membership meeting in July. Any adult citizen of St. Tammany Parish may register to be a "member" of the Council. Membership fees are not charged.

Based on the criteria set forth in GASB Statement 14, The Financial Reporting Entity, the Council is not a component unit of another primary government nor does it have any component units that are related to it. In addition, based on the criteria set forth in this statement, the Council has presented its financial statements as a special purpose, stand-alone government; accordingly, it is applying the provisions of Statement 14 as if it were a primary government.

c. Basis of Presentation of the Basic Financial Statements:

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

Both the government-wide and fund financial statements categorize primary activities as either "governmental" or "business" type. The Council's functions and programs have all been categorized as "governmental" activities. The Council does not have any business-type activities, fiduciary funds, or any component units that are fiduciary in nature. Accordingly, the government-wide financial statements do not include any of these activities or funds.

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

**(1) Purpose of the Council on Aging and Summary of Significant Accounting Policies
(continued)**

c. Basis of Presentation of the Basic Financial Statements (continued):

Government-Wide Financial Statements:

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

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

The Statement of Net Assets has been prepared on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the Council's functions and significant programs. Many functions and programs are supported by general government revenues such as, intergovernmental revenues, property taxes, and unrestricted public support, particularly if the function or program has a net cost. The Statement of Activities begins by presenting gross direct and indirect expenses that include depreciation, and then reduces the expenses by related program revenues, such as charges for services, operating and capital grants, and contributions, to derive the net cost of each function or program. Program revenues must be directly associated with the function or program to be used to directly offset its cost. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

Direct expenses reported in the Statement of Activities are those that are clearly identifiable with a specific function or program, whereas the Council allocates its indirect expenses among various functions and programs in accordance with OMB Circular A-87. The Statement of Activities shows this allocation in a separate column labeled "indirect expenses". GOEA provides administrative grant funds to help the Council pay for a portion of its indirect costs. As a result, only the indirect costs in excess of the GOEA administrative funds are allocated to the Council's other functions and programs.

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

**(1) Purpose of the Council on Aging and Summary of Significant Accounting Policies
(continued)**

c. Basis of Presentation of the Basic Financial Statements (continued):

In the Statement of Activities, charges for services represent program revenues obtained by the Council when it renders services provided by a specific function or program to people or other entities. Contributions, property taxes, grants, interest income, special event, fundraising, and miscellaneous revenues that are not properly included among program revenues are reported instead as general revenues in this statement. Special items, if any, are significant transactions within the control of management that are either unusual in nature or infrequent in occurrence, and are separately reported below general revenues. There were no special items this year.

Fund Financial Statements:

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

The daily accounts and operations of the Council continue to be organized using funds and account groups. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that is comprised of assets, liabilities, equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon their spending purpose and the means by which spending activities are controlled. The various funds are reported by generic classification within the financial statements.

The Council uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the primary operating fund of the Council or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type. In addition, management may also choose to report any other governmental fund as a major fund if it believes the fund is particularly important to financial statement users. For this year, no additional funds were deemed to be major funds by management. The non-major funds are summarized by category or fund type into a single column in the fund financial statements.

Governmental fund equity is called the fund balance. Fund balance is further classified as reserved and unreserved, with unreserved being further split into designated and undesignated. Reserved means the fund balance is not available for expenditure because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets that makes them only available to meet future obligations.

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

**(1) Purpose of the Council on Aging and Summary of Significant Accounting Policies
(continued)**

c. Basis of Presentation of the Basic Financial Statements (continued):

Designated fund balances result when management tentatively sets aside or earmarks certain resources to expend in a designated manner. In contrast to reserved fund balances, designated amounts can be changed at the discretion of management.

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

The General Fund is the primary operating fund of the Council and is used to account for all financial resources except those required to be accounted for in another fund.

The following are brief descriptions of the programs that comprise the Council's General Fund:

Local

The Council receives revenues that are not required to be accounted for in a specific program or fund. Accordingly, these revenues have been recorded in the local program of the General Fund. These funds are mostly unrestricted, which means they may be used at management's discretion. Expenditures to acquire fixed assets, and expenditures for costs not allowed by another program due to budget limitations or the nature of the expenditure, are generally recorded in the local program. Because these funds are mostly unrestricted, they are often transferred to other programs and funds to eliminate deficits in cases where the expenditures of the other programs and funds exceeded their revenues.

PCOA

PCOA 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 these "Act 735" funds at its discretion in any program provided the program is benefiting people who are at least 60 years old. In fiscal year 2010, the Council transferred its PCOA funds to Title III B, Supportive Services, to provide additional funds to pay for program expenditures.

Senior Citizen Activities

The Council operates centers in Slidell, Lacombe, Covington, Mandeville, Folsom, Bush, and Pearl River. The senior citizen activities are funded by GOEA funds and parish millage.

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

**(1) Purpose of the Council on Aging and Summary of Significant Accounting Policies
(continued)**

c. Basis of Presentation of the Basic Financial Statements (continued):

Senior Olympic Games

During the year, the Council sponsored the Senior Olympic Games for the elderly of St. Tammany Parish. The event was held from April 10, 2010, through May 22, 2010. Public support for this program was provided from various businesses and non-profit entities of St. Tammany Parish.

Approximately 125 people participated in the senior games. The Council intends to hold this event each year.

Resource Festival

In July 2009, the Council held its annual Resource Festival, which is an event designed to bring the elderly of the parish into contact with persons and companies that provide goods and services that can help the elderly improve the quality of their life styles and educate them about health and medical issues. The revenues received from the sponsors of the Resource Festival and the related costs to hold this function have been accounted for in the General Fund.

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

(1) Purpose of the Council on Aging and Summary of Significant Accounting Policies
(continued)

c. Basis of Presentation of the Basic Financial Statements (continued):

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Council has established several special revenue funds. The following are brief descriptions of the purpose of each special revenue fund and their classification as either a major or non-major governmental fund:

Major Governmental Funds:

Title III B Fund

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

<u>Service</u>	<u>Units</u>
Homenaker	758
Legal Assistance	258
Material Aid	2,644
Outreach	731
Recreation	24,520
Transportation	17,275
Utility Assistance	84
Medic Alert	362
Information & Assistance	1,581
Chore	42
Public Education	37
Home Repair & Modification	-

Revenues generated by providing transportation services were \$2,459 and have been reported in this fund as program service fees. These revenues have been used to offset the costs associated with generating the service revenues.

Title III C-1 Fund

The Title III C-1 Fund accounts for funds used to provide nutritional, congregate meals to people age 60 or older in strategically located centers throughout St. Tammany Parish. The Council maintains meal sites in Slidell, Mandeville, Covington, Lacombe, Folsom, Bush, and Pearl River. During the year, the Council served 45,833 meals to people eligible to participate in this program.

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

(1) Purpose of the Council on Aging and Summary of Significant Accounting Policies
(continued)

c. Basis of Presentation of the Basic Financial Statements (continued):

Title III C-2 Fund

Title III C-2 Fund accounts for funds used to provide nutritional meals to homebound people who are age 60 or older. Using Title III C-2 funds, the Council served 64,219 meals during the year to people eligible to participate in this program.

Non-Major Governmental Funds:

Title III C Area Agency Administration (AAA) Fund

The Title III C Area Agency Administration Fund is used to account for a portion of the indirect costs of administering the Council's programs. Each fiscal year, GOEA provides the Council with funds to help pay for the costs of administering the Council's special programs for the aging. The amount of funding is not enough to pay for all the indirect costs. As a result, the Council will allocate its indirect costs to this fund first. Once the GOEA funds are completely used, any indirect costs, in excess of the funds provided by GOEA, are distributed to other funds and programs using a formula based on the percentage each program's direct costs bears to direct costs for all programs. Indirect costs are not allocated to all funds because program restrictions may prohibit or limit the payment of administrative type costs.

Title III D Fund

The Title III D Fund accounts for funds used for wellness, which includes disease prevention and health promotion activities. During the year, 8,670 units of wellness type services and no units of medication management services were provided to eligible participants in this program.

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

**(1) Purpose of the Council on Aging and Summary of Significant Accounting Policies
(continued)**

c. Basis of Presentation of the Basic Financial Statements (continued):

Title III E Fund

The Title III E Fund accounts for funds relating to the National Family Caregiver Support program. The National Family Caregiver Support program is designed to provide multifaceted systems of support services for family caregivers and for grandparents or older individuals who are relative caregivers. This program targets older, low-income individuals. Specific types of services that can be provided by this program include: Adult Day Care, Adult Health Care, Material Aid, Case Management, Personal Care, Counseling, Support Groups, Respite Care, Sitter Service, and Information and Assistance. Eligible participants include (1) adult family members, or another adult person, who provides uncompensated in-home and community care to an older person who needs supportive services or (2) grandparents, or a person 60 years of age or older, who is related to a child by blood or marriage and (1) lives with the child, (2) is the primary caregiver, and (3) has a legal relationship to the child or is raising the child informally. During the year, the Council provided 1,581 units of information and assistance, 1,097 units of in-home respite, 2,644 units of material aid, 149 units of personal care, 29 units of support group services, 37 units of public education and 72 units of sitter service.

Senior Center Fund

The Senior Center Fund accounts for the administration of Senior Center program funds appropriated by the Louisiana Legislature to GOEA, which in turn "passes through" the funds to the Council. The purpose of this program is to provide a community service center where elderly people can receive supportive social services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The primary senior centers for the Parish are located in Slidell and Covington.

In addition, satellite senior centers are located in Lacombe, Mandeville, Pearl River, Folsom, Covington and Bush. Senior Center funds can be used at management's discretion to support any of the Council's programs that benefit the elderly. Accordingly, management transferred \$17,475 of this year's Senior Center grant funds (\$139,664) to the Title III B Fund to pay for supportive social services. The remaining funds (\$122,189) were used to pay for the operation costs for the senior centers.

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

**(1) Purpose of the Council on Aging and Summary of Significant Accounting Policies
(continued)**

c. Basis of Presentation of the Basic Financial Statements (continued):

NSIP Fund

The NSIP Fund is used to account for the administration of Nutrition Services Incentive Program (NSIP) funds provided by the Administration on Aging, U.S. Department of Health and Human Services, to GOEA, which in turn "passes through" the funds to the Council. GOEA distributes NSIP funds to each parish council on aging in Louisiana based on how many meals each council on aging served in the previous year in relation to the total meals served statewide by all councils. Using this formula, the Council receives from GOEA approximately 60 cents per congregate and home-delivered meal it serves. The primary purpose of the NSIP reimbursement is to provide money to buy food that will be used in the preparation of congregate and home-delivered meals under nutrition service programs. The food that is purchased for these purposes must be of United States origin or be commodities from the United States Department of Agriculture.

Supplemental Senior Center Fund

The Louisiana Legislature appropriated additional money for various councils on aging throughout the state to be used to supplement the primary grant for senior centers. The Council was one of the parish councils to receive a supplemental grant of \$3,100. The money received by this fund during the year was transferred to the Title III C-2 Fund to supplement the nutrition services provided by this fund. The Governor's Office of Elderly Affairs provided these funds to the Council.

Audit Fund

The Audit Fund accounts for funds received from the Governor's Office of Elderly Affairs that are restricted to use as a supplement to pay for the cost of having an annual audit of the Council's financial statements. Audit expenditures are charged to this fund up to the amount of the GOEA subsidy (\$2,735). The excess audit costs \$27,265 have been distributed to other funds and programs using the Council's indirect cost allocation formula.

Utility Assistance Fund

The Utility Assistance Fund accounts for the administration of utility assistance programs sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging to provide assistance to the elderly for the payment of utility bills. The contributions can only be used to pay for direct services. No indirect or administration expenses can be paid for with these funds. The Council's general policy is to provide utility assistance of up to \$200 per eligible person per instance, not to exceed two instances per year. During the year, the Council was able to provide assistance in 84 instances for different people with these funds.

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

**(1) Purpose of the Council on Aging and Summary of Significant Accounting Policies
(continued)**

d. Measurement Focus and Basis of Accounting (continued):

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

Government-wide Financial Statements - Accrual Basis

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

Fund Financial Statements - Modified Accrual Basis

Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. A current financial resources measurement focus means that only current assets and current liabilities are generally included on the fund balance sheet. The operating statements of the funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be available if they are collected within six months of the current fiscal year end, except for property tax revenues, which are accrued only if they are collected within 60 days of year end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred, if measurable, except for the following: (1) unmatured principal and interest on long-term debt, if any, are recorded when due, and (2) claims, judgments, and compensated absences are recorded as expenditures when paid with expendable available financial resources. Depreciation is a cost that is not recognized in the governmental funds.

e. Interfund Activity

In the fund financial statements, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate. Transfers represent a permanent reallocation of resources between funds. In other words, they are not expected to be repaid. In the government-wide financial statements, transfers between funds are netted against one another as part of the reconciliation of the change in fund balances in the fund financial statements to the change in net assets.

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

**(1) Purpose of the Council on Aging and Summary of Significant Accounting Policies
(continued)**

d. Measurement Focus and Basis of Accounting (continued):

e. Cash and Cash Equivalents

Cash and cash equivalents includes not only currency on hand, but also demand deposits and money market funds with banks or other financial institutions. The Board has approved and made resolution to designate a portion of the cash and cash equivalents as designated for working capital reserve.

For purposes of the Statement of Net Assets, restricted cash are amounts received or earned by the Council with an explicit understanding between the Council and the resource provider that the resource would be used for a specific purpose.

f. Receivables

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

g. Investments

GASB Statement 31 requires the Council to report its investments at fair value in the balance sheet, except for investments in non-participating interest-earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates. This type of investment is reported using a cost-based measure, provided the fair market value of the contract is not significantly affected by the impairment of the credit standing of the issuer or other factors. The Council had no investments at June 30, 2010.

h. Prepaid Expenses/Expenditures

Prepaid expenses include amounts paid in advance for goods and services. Prepaid expenses are shown as either current or other assets on the government-wide Statement of Net Assets, depending on when management expects to realize their benefits.

In the fund financial statements, the Council has elected not to include amounts paid for future services as expenditures until those services are consumed. This method of accounting for prepaid expenditures helps assure the Council's management that costs incurred will be reported in accordance with the Council's cost reimbursement grants. These types of grants do not permit the Council to obtain reimbursement for qualified expenditures until the goods and services relating to them are consumed. As a result, the prepaid expenditures are shown as an asset on the balance sheet of the fund financial statements until they are consumed. In addition, a corresponding amount of the fund balance of the General Fund has been reserved to reflect the amount of fund balance not currently available for expenditure.

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

(1) Purpose of the Council on Aging and Summary of Significant Accounting Policies
(continued)

i. **Capital Assets**

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

Government-Wide Financial Statements

Capital assets are long-lived assets purchased or acquired with an original cost of at least \$1,000 and that have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the government-wide statement of Net Assets. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation. Capital assets will also include major repairs to equipment and vehicles that significantly extend the asset's useful life. Routine repairs and maintenance are expensed as incurred.

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

Equipment - other than computers	6 to 10 years
Vehicles	5 to 9 years
Computer equipment	5 years
Leasehold improvements	20 years
Buildings	20 years

When calculating depreciation, the State's guideline assumes that capital assets will not have any salvage value and that a full year's worth of depreciation will be taken in the year the capital assets are placed in service or disposed.

Fund Financial Statements

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

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

(1) Purpose of the Council on Aging and Summary of Significant Accounting Policies (continued)

j. Non-Current (Long-term) Liabilities

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

k. Unpaid Compensated Absences

The Council's policies for vacation leave permit employees to accumulate earned but unused vacation leave. Accordingly, a liability for the unpaid vacation leave has been recorded in the government-wide statements. Management has estimated the current and long-term portions of this liability based on the Council's policy as it relates to accruing (earning) and using vacation leave. Accordingly, all amounts earned and unused as of year-end are considered a current liability for purposes of the Statement of Net Assets.

The amount accrued as the compensated absence liability was determined using the number of vested vacation hours for each employee multiplied by the employee's wage rate in effect as of June 30, 2010.

In contrast, the governmental funds in the fund financial statements report only compensated absence liabilities that are payable from expendable available financial resources to the extent that the liabilities mature (or come due for payment). Vacation leave does not come due for payment until an employee makes a request to use it or terminates employment with the Council. Accordingly, payments for vacation leave will be recorded as fund expenditures in the various governmental funds in the year in which they are paid or become due on demand to terminated employees. As a result no amounts have been accrued as fund liabilities as of year-end in the fund financial statements. The difference in the methods of accruing compensated absences creates a reconciling item between the fund and government-wide financial statement presentations.

The Council's sick leave policy does not provide for the vesting of sick leave thereby requiring the employee to be paid for any unused leave upon termination of employment. Accordingly, no amounts have been accrued as unpaid compensated absences in the government-wide financial statements relative to sick leave.

l. Advances from Funding Agency

Advances from funding agency represent unexpended balances of grants awarded to the Council that are required to be returned to the funding agency at the end of the grant period. Grant funds due back to the funding agency are recorded as a liability when the amount due becomes known, normally when a final accounting is submitted to the funding agency.

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

(1) Purpose of the Council on Aging and Summary of Significant Accounting Policies (continued)

m. Deferred Revenue

The Council reports deferred revenues on both the Statement of Net Assets (government-wide) and the Balance Sheet of the fund financial statements. Deferred revenues arise when the Council receives resources before it has a legal claim to them, as when grant monies are received before the occurrence of qualifying expenditures. In subsequent periods, when the Council has a legal claim to the resources, the liability for deferred revenue is removed from the Statement of Net Assets and the Fund Balance Sheet, whichever the case might be, and the revenue is recognized.

n. Deferred Property Tax Revenue

Deferred property tax revenue represents taxes expected to be collected, but not within 60 days after the end of the Council's fiscal year for which the taxes were levied. Deferred property tax revenues are reported as a liability in the Balance Sheet of the fund financial statements, but they are not presented anywhere on the Statement of Net Assets because the related revenues are recognized in the Statement of Activities using the full accrual method of accounting. Next year, when the deferred property tax revenues are collected by the Council, the deferral is removed from the Balance Sheet of the fund financial statements and revenues are recognized.

o. Net Assets in the Government-wide Financial Statements

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

- Invested in capital assets - This component consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets.
- Restricted net assets - This component consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net assets - This component consists of all other net assets that do not meet the definition of "restricted" or "invested in capital assets".

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

(1) Purpose of the Council on Aging and Summary of Significant Accounting Policies (continued)

p. Net Assets in the Government-wide Financial Statements (continued)

When both restricted and unrestricted resources are available for use in a specific program or for a specific purpose, the Council's policy is to use restricted resources first to finance its activities, except for nutrition services. When providing nutrition services, revenues earned by the Council under its NSIP contract with GOEA can only be used to pay for the raw food component of each meal that is bought and served to a person eligible to receive a meal under one of the nutrition programs. The Council's management has discretion as to how and when to use the NSIP revenues when paying for nutrition program costs. Quite often, unrestricted resources are available for use that must be consumed or they will have to be returned to the grantor agency. In such cases it is better for management to elect to apply and consume the unrestricted resources before using the restricted resources. As a result, in this case, the Council will depart from its usual policy of using restricted resources first.

q. Fund Equity - Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund Balance may be further classified as reserved and unreserved, with unreserved further split into designated and undesignated. Reserved means that the Council has "reserved" 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 fund balances result when the Council's management intends to expend certain resources in a designated manner. Designations of fund balances can be changed at the discretion of the Council's Board of Directors.

r. Management's Use of Estimates

The preparation of financial statements in conformity with United States 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.

s. Allocation of Indirect Expenses

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

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

(1) Purpose of the Council on Aging and Summary of Significant Accounting Policies (continued)

t. Elimination and Reclassifications

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

(2) Revenue Recognition

Revenues are recorded in the government-wide financial statements when they are earned under the accrual basis of accounting.

Revenues are recorded in the fund financial statements using the modified accrual basis of accounting. In applying the susceptible to accrual concept using this basis of accounting, intergovernmental grant revenues, program service fees (charges for services), and interest income are usually both measurable and available. However, the timing and amounts of the receipts of public support, fund-raisers, and miscellaneous revenues are often difficult to measure; therefore, they are generally recorded as revenue in the period received.

(3) Revenue Recognition - Property Tax

During fiscal year 2000, the Council began receiving funds from a property tax adopted by the voters of St. Tammany Parish to provide money to finance the Council's operations. The St. Tammany Parish Assessor began assessing the property tax on November 15, 1999, and will continue to do so each November 15 for ten years. The tax will be based upon the assessed (appraised) value, less homestead exemptions, on all real and business personal property located within the Parish. The 1st day of January preceding the annual levy date (Nov. 15th) will be used as the date to value the property subject to tax.

The gross assessed value as of January 1, 2009, of the certified roll was \$1,675,151,520. After applying homestead exemptions, supplemental accounts, and other reductions, the net assessed value upon which the Council's property tax was computed was approximately \$1,250,773,450. One mill is the maximum amount the Council may legally elect to assess property owners each year. The Council elected to have the Parish assess 100% of the one mill for tax year 2009. Accordingly, management has estimated the gross amount of property tax payable, excluding back tax settlements, to the Council for this fiscal year to be approximately \$1,250,773.

Property taxes are due on November 15 and are considered delinquent if not paid by December 31. Most of the property taxes are collected during the months of December, January, and February. The St. Tammany Parish Sheriff acts as the collection agent for property taxes and does not charge the Council any commission for performing this service. In an effort to collect all taxes due for the Parish, the Sheriff will have a "tax sale" each year.

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

(3) Revenue Recognition - Property Tax (continued)

As the Sheriff collects the taxes, he forwards them to the Council on Aging where they are recorded as revenues in accordance with the modified accrual basis of accounting. The Council also accrues as current year revenues any property taxes it receives within 60 days of year-end because it considers those amounts to be measurable and available. Accordingly, property tax collections of \$29,817 during July 2010 were accrued as this year's revenues.

Property tax revenues in the fund financial Statement of Revenues, Expenditures, and Changes in Fund Balances include \$39,595 withheld by the Sheriff to make "on-behalf payments for fringe benefits," which represent the Council's pro rata share of retirement plan contributions for other governmental units. This amount has been included as a component of intergovernmental expenditures in the fund financial statements. For purposes of the government-wide Statement of Activities, property tax revenues of \$1,265,920 were reduced by \$39,595 withheld by the Sheriff for retirement benefits and administrative charges to produce net property tax revenue of \$1,226,325, which was a component of general revenues on that statement. Also, see the "On-behalf Payments for Fringe Benefits" footnote later in this report.

(4) Cash and Cash Equivalents and Investments

Cash and Cash Equivalents

The Council maintains a consolidated operating bank account at Capital One Bank, which is available for use by all funds to deposit revenues and pay expenses. The purpose of this consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds. The Council also maintains another demand deposit account at Capital One Bank for making payroll disbursements and a savings account at Central Progressive Bank for easy access to funds should they be needed for operations.

The Council maintains fifteen petty cash funds of \$100 each at its various locations to pay for small, unexpected expenses that might arise during daily operations.

Cash Equivalents – LAMP

LAMP represents those assets held in the Louisiana Asset Management Pool (LAMP), a local government investment pool which is not categorized under GASB Codification Section 150.164 because the investment is in a pooled fund and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds.

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

(4) Cash and Cash Equivalents and Investments (continued)

Cash Equivalents – LAMP (continued)

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares, investments are valued at amortized cost. LAMP is designed to be highly liquid to provide immediate access to participants.

Restricted Cash

For purposes of the Statement of Net Assets, the cash and cash equivalents balance of \$2,429,728 is comprised of restricted cash of \$59,651 and unrestricted cash and cash equivalents of \$2,370,077. The restricted cash amount of \$59,651 also equals the sum of the restricted net assets in this statement. The Council has presented restricted cash as current assets in the Statement of Net Assets because it is available for use in current operations. The Board has internally designated \$700,000 of unrestricted cash as restricted for working capital reserve, the purpose of which is to have available resources to systematically phase out programs in the event of funding cancellation or delay by either legislative action or policy changes. It is important for the Council to have unrestricted net assets in order to have resources available to respond to reductions in funding, emergencies, or program terminations.

Custodial Credit Risk

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

Cash and cash equivalents are reported at their carrying value, which equals its fair value. As of June 30, 2010, the combined carrying amount of the Council's cash and cash equivalents on its books, including \$1,500 of petty cash, was \$2,429,728 whereas the related bank balances totaled \$2,443,988. The primary difference in these amounts relates to deposits made to and checks written on demand deposit accounts that have not yet cleared the bank accounts.

As of June 30, 2010, \$334,320 of the bank balances were insured 100% by federal depository insurance and \$306,379, which is uninsured, has been collateralized by Capital One Bank pledging securities. The securities are being held at the Federal Reserve Bank in New Orleans on behalf of the Council. The remaining \$1,803,289 is invested in LAMP money market funds and is subject to custodial credit risk.

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

(5) Changes in Capital Assets and Accumulated Depreciation

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

Capital Assets Being Depreciated	Balances 7/1/2009	Additions	Deletions	Balances 6/30/2010
Building	\$ 635,842	\$ -	\$ -	\$ 635,842
Vehicles	647,676	-	(226,397)	421,279
Office furniture & equipment	15,056	-	-	15,056
Computer equipment & software	21,543	-	-	21,543
Leasehold improvements	15,112	-	-	15,112
Nutrition equipment	5,149	-	-	5,149
Total Capital Assets	1,340,378	-	(226,397)	1,113,981
Less Accumulated Depreciation				
Building	\$ 45,470	\$ 20,986	\$ -	\$ 66,456
Vehicles	524,016	69,903	(226,397)	367,522
Office furniture & equipment	14,606	225	-	14,831
Computer equipment & software	10,323	3,079	-	13,402
Leasehold improvements	7,322	1,068	-	8,390
Nutrition equipment	4,166	392	-	4,558
Total Accumulated Depreciation	605,903	95,653	(226,397)	475,159
Capital Assets, Net of Depreciation	\$ 734,475	\$ (95,653)	\$ -	\$ 638,822

The Council auctioned six vehicles during the year with a total net book value of zero and recognized a gain of \$14,758 for the year ending June 30, 2010, which is included in miscellaneous income on the Statement of Revenue, Expenditures, and Changes in Fund Balances – Governmental Funds.

Depreciation was charged to governmental activities as follows:

Administration	\$ 24,547
Supportive Services:	
Transportation	69,646
Senior Center Operations	1,068
Nutrition Services:	
Congregate meals	392
Total depreciation expense	
For governmental activities	<u>\$ 95,653</u>

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

(6) Long-Term Debt

On April 27, 2007, the Council entered into a purchase agreement with Capital One, National Association for the building located at South Front Street, Covington Louisiana. The promissory note is in the amount of \$522,000. The borrowings under the Agreement bear interest at a fixed rate of 6.750%. The debt is secured by the building.

The following presents debt service requirements of the long-term debt for each of the next five years and thereafter:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	25,568	30,290	55,858
2012	27,295	28,563	55,858
2013	29,301	26,557	55,858
2014	31,370	24,488	55,858
2015-2019	200,950	72,341	273,291
2020-2022	139,915	6,997	146,912
	<u>\$ 454,399</u>	<u>\$ 189,236</u>	<u>\$ 643,635</u>

(7) Fund Balances - Fund Financial Statements

As of June 30, 2010, one special revenue fund had a remaining fund balance. Usually, the fund balances of the special revenue funds are cleared out as of June 30 to comply with the administration and accounting policies of the grantor agencies that have awarded the Council certain grants. However, there are exceptions to these policies.

The Council has \$182 of utility assistance contributions that remain unspent as of year-end. The donors restrict these contributions for specific purposes. Accordingly, management separately accounts for them in a special revenue fund to ensure accountability. Utility assistance fund balances are common amongst council on aging entities. Utility assistance is a supportive service rendered under the Council's Title III B program. Rather than commingle the accounting of the receipts and disbursements of the utility assistance within the Title III B Fund, GOEA prefers that councils on aging use a separate fund that can facilitate the monitoring of the Title III B activity separately from the utility assistance activities.

(8) In-Kind Contributions

The Council received a variety of in-kind contributions during the year, but does not record the fair value of these contributions in its government-wide and fund financial statements, except for the donation of capital assets. In the case of a donation of a capital asset, accounting principles for governmental entities require the fair value of a donated capital asset be recorded in the Statement of Activities at the time of acquisition. However, these same principles do not permit the recording of the fair value of capital assets (or other in-kind contributions) in the fund financial statements because of the measurement focus of such statements.

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

(8) In-Kind Contributions (continued)

The Council received the following in-kind contributions during the year for its senior centers and meal sites, which management estimates the aggregate in-kind value to be \$84,495.

- The Covington senior center, "Hadden Hall," was furnished by the American Legion Post 16 without charge for rent, but the Council had to pay for the utilities, repairs, maintenance, and insurance.
- The Slidell Senior Center was completely destroyed by Hurricane Katrina on August 29, 2005. The Council has been renting Mount Olive Church in Slidell for \$800 a month since the hurricane. The City of Slidell is currently constructing a new senior center in Slidell for use by the Council.
- The Lacombe meal site is furnished by the St. Tammany Parish School Board for an annual cost of \$1 for rent.
- The Mandeville meal site is furnished by the City of Mandeville without charge for rent, however, the Council is responsible for paying utilities.
- The Town of Pearl River furnishes the Pearl River meal site at no charge. Furthermore the Council is responsible for paying one half of the utility bills and a monthly cleaning fee of \$325.
- The Bush Meal Site is furnished by the Bush Fifth Ward Recreation District for an annual cost of \$1 for rent plus utilities.
- The Folsom meal site is furnished by the Masonic Hall with monthly rent of \$400.

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

(9) On-Behalf Payments for Fringe Benefits

The Council and its qualified employees participate in the Louisiana Deferred Compensation Plan, which is a nonqualified deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Great-West Life and Annuity Insurance Company administer the plan. The Plan is available to all Council employees who have worked at least six months. Participation is not mandatory. The plan permits participating employees to defer up to the lesser of (1) 100% of their taxable compensation or (2) \$14,000 (\$18,000 if over 50 years of age) per year. In addition, the Council will "match" any amount a participant defers up to 4% of the participant's salary. All amounts contributed to the plan by the employees and the Council is non-forfeitable thereby making them 100% vested by the employees. During the fiscal year, \$2,600 was contributed to the plan via employee salary deferrals. Matching amounts contributed by the Council were \$2,357. The Plan does not meet the definition of a fiduciary fund; accordingly, the Council has not reported any amounts in these financial statements. The Council does not guarantee the benefits of any amounts contributed to the Great-West Life and Annuity Insurance Company.

Because the Council is one of several governmental agencies receiving proceeds from a property tax assessment, state law requires the Council to bear a pro-rata share of the pension expense relating to the public employees of St. Tammany Parish who participate in the Parochial Employees Retirement System. The Council's pro-rata share of the required contribution was \$39,595 that was withheld by the Sheriff from property tax collections to satisfy the Council's obligation. The amount withheld has been included as an "intergovernmental" expenditure of the General Fund in these financial statements. As described in Note 3, the Council increased its property tax revenues by the same amount of the intergovernmental expenditure. None of the Council's employees participate in or benefit from any pension plan relating to this expenditure.

(10) Changes in Compensated Absences

For purposes of the Statement of Net Assets, the Council has presented all of its accumulated unpaid vacation leave as a current liability. This is because vested amounts are expected to be used before the end of the next fiscal year. In contrast, no liability for vacation leave has been presented in the Balance Sheet of the fund financial statements because vacation leave does not become a liability until the employee has made a request to use it or terminates employment with the Council. The following is a schedule of the net change that occurred in the Council's vacation leave account during the fiscal year.

Balance July 1, 2009	\$ 25,297
Net decrease in vested leave	<u>(15,223)</u>
Balance at June 30, 2010	<u>\$ 10,074</u>

(11) Board of Directors Compensation

The Board of Directors is a voluntary board. Board members do not receive compensation. Board members can submit an expense request form for out-of-pocket expenses that are in accordance with the Council's travel reimbursement policy.

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

(12) 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, and as an organization that is not a private foundation as defined in Section 509(a) of the Code. The Council is also exempt from Louisiana income tax.

The Council does not file a Form 990 because it has been determined to be an "affiliate of a governmental unit" within the meaning of Section 4 of Revenue Procedure 95-48, 1995-2 CB. 418.

(13) Judgments, Claims, and Similar Contingencies

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; officer and directors' liability; business interruption; natural disasters; and volunteer liability. Except for business interruption and certain acts of God, the Council has purchased commercial insurance, with deductibles ranging from \$0 to \$1,000, to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. No settlements were made during the current or prior three fiscal years that exceeded the Council's insurance coverage.

There is currently one pending lawsuit against the Council as of June 30, 2010, related to a claim filed by a former employee. The Management of the Council believes that any possible judgments or claims related to this lawsuit are adequately covered by the Council's insurance or resolved without any material impact upon the Council's financial statements.

(14) Contingencies-Grant Programs

The Council participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Council has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of June 30, 2010 might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Council.

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

(15) Economic Dependency

The Council receives the majority of its revenue from a property tax assessment and through grants administered by the Louisiana Governor's Office of Elderly Affairs (GOEA) and the Louisiana Department of Transportation and Development (DOTD). 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 funds the Council receives could be reduced significantly and have an adverse impact on its operations. Also, if the property in St. Tammany Parish were to be assessed at lower values due to natural disaster or another unpredictable event, the amount the Council receives annually from the property tax could be affected adversely. Management is not aware of any actions that will significantly affect the amount of funds the Council will receive in fiscal year 2010 relating to its property tax assessment or grant awards.

(16) Lease and Rental Commitments

On July 30, 1994, the Council entered into a 20 year lease with the City of Slidell whereby the Council will rent from the City for \$1 per year a building referred to as the Slidell Senior Citizens Center at 610 Cousin Street, Slidell, LA. The Council has the right to renew this lease for 10 additional years under the same terms and conditions. Either party may terminate the lease with 120 days written notice. The City will be responsible for any repair requiring labor and material of \$501 or more. The Council is responsible for normal operating costs, including water, telephone, utility, janitorial, and minor repair costs. The City will provide building and liability insurance coverage, whereas the Council must obtain coverage for its personal property. On August 29, 2005 Hurricane Katrina completely destroyed this location and the Council will not be able to use it until reconstructed by the City of Slidell. As a result of not being able to use this facility, the Council has relocated the senior center activities to Mount Olive Church, Slidell, Louisiana. The Council leases this facility for \$800 a month.

On December 1, 1993, the Council entered into a one-year lease with the St. Tammany Parish School Board whereby the Council will rent from the School Board for \$1 per year a building at 27561 St. Joseph Street in Lacombe, Louisiana. The Council uses this building as a meal site for the elderly. There is a provision in the lease that at the end of each year it will automatically renew itself for another term of one year at the same rental and under the same terms. The renewal provision will continue indefinitely except that either party may cancel the lease upon thirty days notice. The Council is responsible for all repairs, utilities, flood insurance and contents, whereas the School Board will pay for property taxes and other insurance.

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

(16) Lease and Rental Commitments (continued)

The Council leases from the American Legion Post No. 16 on a month-to-month basis a building, located at 106 S. Jahucke Avenue, Covington, Louisiana, to use as a senior citizens center and meal site facility. The facility is commonly referred to as "Hadden Hall". Terms of the lease do not require the Council to pay any rent, however, the Council is responsible for paying all operational costs, including utilities, repairs, maintenance, and insurance coverage on the building, its contents, and against liability.

On October 17, 2001, the Council entered into a 5-year lease with the A.U. Peterson Lodge #455 F & AM (the Lodge) to rent at no charge a building referred to as the Masonic Hall (the Hall) at 13120 Cleveland Street, Folsom, Louisiana. The Council has the right to renew this lease for 5 additional years under the same terms and conditions. Either party may terminate the lease with 30 days advance written notice. The Council pays \$400 a month for rent and the Lodge is responsible for paying all utility bills. Also, the Council can, at its cost, install a telephone system. The Council and Lodge are both responsible for maintaining property and liability insurance coverage relating to their respective uses of the facility. The Council uses the Center as a meal site for elderly residents in the Folsom area.

On September 19, 2000, the Council entered into a 5-year lease with the Bush Fifth Ward Recreation, Inc. (BFWR) whereby the Council will rent from BFWR for \$1 per year a building referred to as the Bush Recreation Center at 81605 Highway 41, Bush, Louisiana. The lease expired on September 19, 2005 but another written lease was not executed. Either party may terminate the lease with 30 days written notice. BFWR is responsible for making repairs to the Center once it is notified by the Council. The Council may make modifications to the Center with the written approval by BFWR. BFWR is responsible for all utility bills with the exception of a telephone service that the Council may install, gas and pest control. The Council is also billed for the extra cost of a larger trash dumpster, which was obtained to meet the Council's needs. The Council is responsible for maintaining personal property and liability insurance coverage in addition to the coverage obtained by BFWR. The Council uses the Center as a meal site for elderly residents in the Bush area.

Total rent expenditures/expenses relating to the Council's use of the aforementioned buildings were \$9,600 for the fiscal year. This amount related 100% to the Hadden Hall senior center. None of the other lessors enforced the \$1 per year annual rental requirement of their lease.

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

(17) Interfund Transfers - Fund Financial Statements

Operating transfers to and from are listed by fund for the fiscal year as follows:

	Operating Transfers	
	In From	Out To
General Fund:		
Title III B Fund	\$ -	\$ 366,149
Title III C-1 Fund	-	87,793
Title III C-2 Fund	-	143,048
Title III D Fund	-	18,693
Title III E Fund	-	14,090
Total General Fund	<u>\$ -</u>	<u>\$ 629,773</u>
Title III B Fund:		
General Fund	\$ 366,149	\$ -
Nonmajor Funds - Senior Center Fund	17,475	-
Total Title III B Fund	<u>\$ 383,624</u>	<u>\$ -</u>
Title III C-1 Fund:		
General Fund	\$ 87,793	\$ -
Total Title III C-1 Fund	<u>\$ 87,793</u>	<u>\$ -</u>
Title III C-2 Fund:		
General Fund	\$ 143,048	\$ -
Nonmajor Funds:		
Supplemental Sr. Center Fund	3,100	-
NSIP Fund	143,098	-
Total III C-2 Fund	<u>\$ 289,246</u>	<u>\$ -</u>
Nonmajor Funds:		
Senior Center Fund to the Title III B Fund	-	17,475
Supplemental Sr. Center Fund to the Title III C-2 Fund	-	3,100
NSIP Fund to the Title III C-2 Fund	-	143,098
General Fund to the Title III D Fund	18,693	-
General Fund to the Title III E Fund	14,090	-
Total for Nonmajor Funds	<u>\$ 32,783</u>	<u>\$ 163,673</u>
Grand Totals	<u>\$ 793,446</u>	<u>\$ 793,446</u>

Transfers are used (a) to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (b) to shift unrestricted revenues collected in the General Fund and certain Special Revenue Funds to finance various programs accounted for in other funds in accordance with budgetary authorizations or operational needs.

**SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY
GASB STATEMENT 34**

ST. TAMMANY COUNCIL ON THE AGING, INC.

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
			Modified Accrual Basis	Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
Governnor's Office of Elderly Affairs	\$ 62,840	\$ 62,840	\$ 62,840	\$ -
State revenue sharing	12,000	23,290	34,935	11,645
City support	25,500	25,500	23,000	(2,500)
Property taxes	1,070,883	1,209,308	1,226,325	17,017
Public support - restricted	9,762	12,359	8,484	(3,875)
Public support - unrestricted	3,844	8,061	11,599	3,538
Program service fees	-	2,248	2,305	57
Interest income	9,186	1,998	4,836	2,838
Special events and fundraising	25,628	10,000	13,100	3,100
Miscellaneous income	62,248	60,056	63,169	3,113
Total revenues	<u>1,281,891</u>	<u>1,415,660</u>	<u>1,450,593</u>	<u>34,933</u>
EXPENDITURES				
Current:				
Personnel	8,384	9,701	3,057	6,644
Fringe	2,774	1,991	518	1,473
Travel	124	190	36	154
Operating services	2,278	2,676	1,319	1,357
Operating supplies	162	244	150	94
Other costs	1,631	4,736	5,226	(490)
Special events and fundraising	15,700	15,700	9,033	6,667
Debt service	55,858	55,858	55,858	-
Capital outlays	32,400	54,800	-	54,800
Intergovernmental	1,184	-	-	-
Total expenditures	<u>120,495</u>	<u>145,896</u>	<u>75,197</u>	<u>70,699</u>
Excess of revenues over expenditures	<u>1,161,396</u>	<u>1,269,764</u>	<u>1,375,396</u>	<u>105,632</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(1,161,396)	(1,269,764)	(629,773)	639,991
Total other financing sources and uses	<u>(1,161,396)</u>	<u>(1,269,764)</u>	<u>(629,773)</u>	<u>639,991</u>
Net decrease in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 745,623</u>	<u>\$ 745,623</u>
FUND BALANCE				
Beginning of year			<u>1,641,389</u>	
End of year			<u>\$ 2,387,012</u>	

The accompanying notes are an integral part of this statement.

ST. TAMMANY COUNCIL ON THE AGING, INC.

BUDGETARY COMPARISON SCHEDULE - TITLE III B FUND
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>Modified</u>	<u>Favorable</u>
			<u>Accrual Basis</u>	<u>(Unfavorable)</u>
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs - primary grant	\$ 181,312	\$ 173,312	\$ 173,312	\$ -
Program service fees	-	-	858	858
Public support - client contributions	2,136	2,133	1,601	(532)
Total revenues	<u>183,448</u>	<u>175,445</u>	<u>175,771</u>	<u>326</u>
EXPENDITURES				
Current:				
Personnel	220,489	248,034	245,743	2,291
Fringe	72,959	50,919	41,178	9,741
Travel	6,227	6,891	3,342	3,549
Operating services	133,125	143,381	161,920	(18,539)
Operating supplies	76,450	69,851	56,144	13,707
Other costs	5,585	7,574	5,199	2,375
Full service contracts	52,674	48,820	45,869	2,951
Total expenditures	<u>567,509</u>	<u>575,470</u>	<u>559,395</u>	<u>16,075</u>
Excess of revenues over expenditures	<u>(384,061)</u>	<u>(400,025)</u>	<u>(383,624)</u>	<u>16,401</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	384,061	400,025	383,624	(16,401)
Total other financing sources and uses	<u>384,061</u>	<u>400,025</u>	<u>383,624</u>	<u>(16,401)</u>
Net increase (decrease) in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE				
Beginning of year				-
End of year			<u>\$ -</u>	-

The accompanying notes are an integral part of this statement.

ST. TAMMANY COUNCIL ON THE AGING, INC.

BUDGETARY COMPARISON SCHEDULE - TITLE III C-1 FUND
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>Modified</u>	<u>Favorable</u>
			<u>Accrual Basis</u>	<u>(Unfavorable)</u>
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs - primary grant	\$ 137,842	\$ 137,842	\$ 128,088	\$ (9,754)
Public support - client contributions	30,618	25,160	25,641	481
Total revenues	<u>168,460</u>	<u>163,002</u>	<u>153,729</u>	<u>(9,273)</u>
EXPENDITURES				
Current:				
Personnel	57,596	65,964	80,350	(14,386)
Fringe	19,059	13,542	12,099	1,443
Travel	2,836	2,646	1,337	1,309
Operating services	36,970	34,381	31,514	2,867
Operating supplies	2,241	3,134	4,011	(877)
Other costs	2,703	3,610	2,403	1,207
Meals	127,746	144,466	109,808	34,658
Total expenditures	<u>249,151</u>	<u>267,743</u>	<u>241,522</u>	<u>26,221</u>
Excess of revenues over expenditures	<u>(80,691)</u>	<u>(104,741)</u>	<u>(87,793)</u>	<u>16,948</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	80,691	104,741	87,793	(16,948)
Total other financing sources and uses	<u>80,691</u>	<u>104,741</u>	<u>87,793</u>	<u>(16,948)</u>
Net increase (decrease) in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE				
Beginning of year				-
End of year			<u>\$ -</u>	-

The accompanying notes are an integral part of this statement.

ST. TAMMANY COUNCIL ON THE AGING, INC.

BUDGETARY COMPARISON SCHEDULE - TITLE III C-2 FUND
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Modified</u>	<u>Final Budget</u>
			<u>Accrual Basis</u>	<u>Favorable</u>
				<u>(Unfavorable)</u>
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs - primary grant	\$ 123,882	\$ 123,882	\$ 123,882	\$ -
Public support - client contributions	-	7,669	6,348	(1,321)
United Way	-	-	5,025	5,025
Total revenues	<u>123,882</u>	<u>131,551</u>	<u>135,255</u>	<u>3,704</u>
EXPENDITURES				
Current:				
Personnel	135,023	131,369	112,466	18,903
Fringe	44,679	26,969	17,534	9,435
Travel	5,964	5,422	2,418	3,004
Operating services	89,579	82,753	61,325	21,428
Operating supplies	14,237	15,814	13,580	2,234
Other costs	5,894	7,446	4,292	3,154
Meals	247,976	256,207	212,886	43,321
Total expenditures	<u>543,352</u>	<u>525,980</u>	<u>424,501</u>	<u>101,479</u>
Excess of revenues over expenditures	<u>(419,470)</u>	<u>(394,429)</u>	<u>(289,246)</u>	<u>105,183</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	419,470	394,429	289,246	(105,183)
Total other financing sources and uses	<u>419,470</u>	<u>394,429</u>	<u>289,246</u>	<u>(105,183)</u>
Net increase (decrease) in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE				
Beginning of year				-
End of year			<u>\$ -</u>	-

The accompanying notes are an integral part of this statement.

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1- BUDGETARY REPORTING

The budget information presented in this section of required supplementary information applies to "major" governmental funds for which annual budgets were adopted. Budgetary information for "nonmajor" funds has not been included anywhere in these financial statements.

The Council follows these procedures in establishing the budgetary data that has been presented as required supplementary information in these financial statements.

- The Governor's Office of Elderly Affairs (GOEA) notifies the Council each year as to the funding levels for its programs.
- Management projects property tax revenues based on past trends and data available at the Parish Assessor's office to form expectations of future revenues.
- The revenue information supplied by GOEA and the Parish Assessor are considered by management along with revenue projections of grants from other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- Expenditure projections are developed using historical information and changes to the upcoming year that management is aware of at the time of budget preparation.
- Once the information has been obtained to project revenues and expenditures, the Council's executive director prepares a proposed budget based on the projections. The proposed budget is reviewed and approved by the Council's Finance Committee before it is submitted to the Board of Directors for approval.
- The Board of Directors reviews and adopts the budget for the next fiscal year at a regularly scheduled board meeting held before May 31 of the current fiscal year.
- The adopted budget is forwarded to GOEA for compliance approval.
- Unused budget amounts lapse at the end of each fiscal year (June 30). However, if a grant or contract is not completed by June 30, management will automatically budget funds in the next fiscal year to complete the grant or contract. An example where this might occur is when vehicles are acquired under federal matching programs. The "match" might be made in one year and the vehicles delivered in another year.
- The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.

ST. TAMMANY COUNCIL ON THE AGING, INC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2010

- Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. Budget amendments are sent to GOEA and approved by that agency.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The Council may transfer funds between line items in its budget as often as required but must obtain compliance approval from the Governor's Office of Elderly Affairs (GOEA) for funds received under grants from this agency. As part of its grant compliance, GOEA requires the Council to amend its budget in cases where actual costs for a particular line item exceed the budgeted amount by more than 10%, unless unrestricted funds are available to "cover" the overrun.
- Expenditures cannot exceed budgeted revenues on an individual fund level, unless a large enough fund balance exists to absorb the budgeted operating deficit.
- The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some activities may not be budgeted, particularly if they are deemed to be immaterial by management.

SUPPLEMENTARY INFORMATION REQUESTED BY
THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS

ST. TAMMANY COUNCIL ON THE AGING, INC.

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	Title III AAA	Title III D	Title III E	Title III NSIP	Senior Center	Supple. Senior Center	Audit	Utility Assistance	Totals
REVENUES									
Intergovernmental:									
Governor's Office of Elderly Affairs - primary grants	\$ 49,256	\$ 7,789	\$ 58,400	\$ 143,098	\$ 139,664	\$ 3,100	\$ 2,735	\$ -	\$ 404,042
Public support (restricted):									
Various utility companies	-	-	-	-	-	-	-	10,697	10,697
Total revenues	49,256	7,789	58,400	143,098	139,664	3,100	2,735	10,697	414,739
EXPENDITURES									
Health, welfare, and social services:									
Current:									
Personnel	18,865	18,373	21,539	-	44,649	-	-	-	103,426
Fringe	3,192	3,109	3,645	-	7,556	-	-	-	17,502
Travel	613	252	800	-	588	-	-	-	2,253
Operating services	22,499	4,018	6,709	-	54,585	-	-	-	87,811
Operating supplies	2,556	457	577	-	13,549	-	-	-	17,139
Other costs	1,531	273	346	-	1,262	-	2,735	-	6,147
Utility assistance	-	-	-	-	-	-	-	10,515	10,515
Caregiver vouchers	-	-	38,874	-	-	-	-	-	38,874
Total expenditures	49,256	26,482	72,490	-	122,189	-	2,735	10,515	283,667
Excess of revenues over (under) expenditures	-	(18,693)	(14,090)	143,098	17,475	3,100	-	182	131,072
OTHER FINANCING SOURCES (USES)									
Operating transfers in	-	18,693	14,090	-	-	-	-	-	32,783
Operating transfers out	-	-	-	(143,098)	(17,475)	(3,100)	-	-	(165,673)
Net increase in fund balance	-	-	-	-	-	-	-	182	182
FUND BALANCE									
Beginning of year	-	-	-	-	-	-	-	-	7,469
End of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,651	\$ 7,651

ST. TAMMANY COUNCIL ON THE AGING, INC.

COMPARATIVE SCHEDULE OF CAPITAL ASSETS
AND CHANGES IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
<u>Capital assets</u>				
Building	\$ 635,842	\$ -	\$ -	\$ 635,842
Vehicles	647,676	-	(226,397)	421,279
Office furniture and equipment	15,056	-	-	15,056
Computer equipment	21,543	-	-	21,543
Nutrition equipment	5,149	-	-	5,149
Leasehold improvements	15,112	-	-	15,112
Total capital assets	<u>\$ 1,340,378</u>	<u>\$ -</u>	<u>\$ (226,397)</u>	<u>\$ 1,113,981</u>
<u>Investment in capital assets</u>				
Property acquired with funds from -				
FTA	\$ 300,166	\$ -	\$ (138,551)	\$ 161,615
Local Funds:				
Van fundraisers	16,305	-	(16,305)	-
General Fund	1,021,008	-	(71,541)	949,467
Covington - Hadden Hall	1,125	-	-	1,125
Slidell Senior Center Building Fund	1,225	-	-	1,225
In-kind donations	549	-	-	549
Total investment in capital assets	<u>\$ 1,340,378</u>	<u>\$ -</u>	<u>\$ (226,397)</u>	<u>\$ 1,113,981</u>

**SUPPLEMENTARY FINANCIAL INFORMATION
REQUIRED BY OMB CIRCULAR A-133**

ST. TAMMANY COUNCIL ON THE AGING, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/Pass-Through Grantors/ Program or Cluster Title	Federal CFDA Number	Grant Year Ended	Program or Award Amount	Federal Revenue Recognized	Federal Expenditures
U.S. Department of Health and Human Services - Administration on Aging					
Passed through the Governor's Office of Elderly Affairs:					
Aging Cluster of Special Programs for the Aging:					
Title III, Part B - Grant for Supportive Services and Senior Centers	93.044	6/30/2010	\$ 106,507	\$ 106,507	\$ 106,507
Subtotal CFDA #93.044			106,507	106,507	106,507
Title III, Part C - Nutrition Services	93.045	6/30/2010			
Area Agency Administration Component			36,941	36,941	36,941
Part C-1 - Congregate Meals Component			103,908	103,908	103,908
Part C-2 - Home Delivered Meals Component			70,462	70,462	70,462
ARRA Congregate Meals			6,933	6,933	6,933
ARRA Home-Delivered Meals			8,231	8,231	8,231
Subtotal CFDA #93.045			226,475	226,475	226,475
Nutrition Services Incentive Program	93.053	6/30/2010	143,098	143,098	143,098
Total Aging Cluster (CFDAs 93.044, 93.045, & 93.053)			476,080	476,080	476,080
Other Special Programs for the Aging:					
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	6/30/2010	7,789	7,789	7,789
Title III, Part E - National Family Caregivers Support Program	93.052	6/30/2010	43,800	43,800	43,800
Totals for U.S. Department of Health and Human Services - Administration on Aging			527,669	527,669	527,669
Total Federal Grants			\$ 527,669	\$ 527,669	\$ 527,669

Note A - Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the St. Tammany Council on the Aging, Inc. and has been prepared using the modified accrual basis of accounting as contemplated under generally accepted accounting principles and which is the same basis of accounting used for presenting the fund 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 presentation of, the basic financial statements.

Note B - The St. Tammany Council on the Aging, Inc. did not pass-through any of its federal awards to a subrecipient during the year.

Note C - No federal awards were expended in the form of non-cash assistance during the fiscal year.

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

To the Board of Directors,
St. Tammany Council on the Aging, Inc.:

We have audited the financial statements of the St. Tammany Council on the Aging, Inc. (the Council), as of and for the year ended June 30, 2010, and have issued our report thereon dated December 30, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting 2010-1. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

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

This report is intended solely for the information and use of the Council's Board of Directors, the Council's management, 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.



Metairie, Louisiana
December 30, 2010

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133**

To the Board of Directors,
St. Tammany Council on the Aging, Inc.:

Compliance

We have audited the compliance of St. Tammany Council on the Aging, Inc. (the Council) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on the Council's major federal program for the year ended June 30, 2010. The Council's major federal program is 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 its major federal program is the responsibility of the Council's management. Our responsibility is to express an opinion on the Council's compliance based on our audit.

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

In our opinion, the Council complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the Council is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Council's internal control over compliance with the 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, but

not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

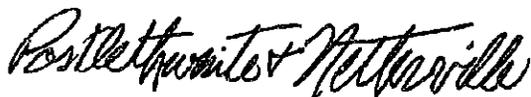
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the Council as of and for the year ended June 30, 2010, and have issued our report thereon dated December 30, 2010, which contained an unqualified opinion on the financial statements. Our audit was performed for the purpose of forming an opinion on the basic financial statements as a whole. The 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the Council's Board of Directors, the Council's management, 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.



Metairie, Louisiana
December 30, 2010

ST. TAMMANY COUNCIL ON THE AGING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

SECTION I—SUMMARY OF AUDIT RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? Yes No

Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements notes? Yes No

FEDERAL AWARDS

Internal control over major programs:

Material weaknesses identified? Yes No

Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

Identification of major programs:

U.S. Department of Health and Human Services – Administration on Aging
Aging Cluster for Special Programs for the Aging:
Title III, Part B – Grants for Supportive Services and Senior Center; CFDA # 93.044
Title III, Part C – Nutrition Services; CFDA # 93.045, and
Nutrition Services Incentive Program; CFDA # 93.053

Dollar threshold used to distinguish between types A and B programs: \$300,000

Audit qualified as low-risk auditee: Yes No

ST. TAMMANY COUNCIL ON THE AGING, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2010

SECTION II-FINANCIAL STATEMENT FINDINGS

2010-1 INTERNAL CONTROL OVER FINANCIAL REPORTING

Condition: General ledger account reconciliations for some significant accounts were not performed in a timely manner and year end accrual adjustments were not properly recorded to the general ledger.

Criteria: The definition of internal controls over financial reporting is that policies and procedures exist that pertain to an entity's ability to initiate, record, process, and report financial data consistent with the assertions embodied in the annual financial statements, which for the Council is that financial statements are prepared in accordance with generally accepted accounting principles (GAAP). Our responsibility under current audit standards requires us to communicate this issue to management and the Board of Directors.

Effect: During the course of our audit procedures we identified significant adjusting entries to general ledger accounts.

Cause: Management was unable to perform reconciliations of the general ledger accounts in a timely manner and perform appropriate procedures to identify year end accrual adjustments.

Auditor's recommendation: All significant general ledger accounts should be reconciled in a timely manner and reviewed by management. This review should be documented. A review of post year-end cash receipts and cash disbursements should be performed in order to determine appropriate year end accrual adjustments.

Management response: The Council has engaged the assistance of an outside certified public accountant to assist in the year end reconciliations and accrual adjustments of significant general ledger accounts.

SECTION III-FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

ST. TAMMANY COUNCIL ON THE AGING, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

2009-1 INTERNAL CONTROL OVER FINANCIAL REPORTING

Condition: General ledger account reconciliations for some significant accounts or transaction classes were not performed in a timely manner.

Status: See current year finding 2010-1.