

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

**ANNUAL FINANCIAL REPORT  
JUNE 30, 2004**

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 3-30-05

Natchitoches Parish Council on Aging, Inc.

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Required Supplementary Information		
Managements' Discussion and Analysis	-	1-5
Independent Auditors' Report	-	6-7
Basic Financial Statements		
Government-Wide Financial Statements		
Statement of Net Assets	A	10
Statement of Activities	B	11
Fund Financial Statements		
Balance Sheet-Governmental Funds	C	13
Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds	D	14-15
Reconciliation of the Governmental Fund Balance Sheet to the Statement Net Assets	E	16
Notes to Financial Statements	-	18-31
Required Supplementary Information Schedules		
Budgetary Comparison Schedule-General Fund	F-1	33
Budgetary Comparison Schedule-Title III C-1	F-2	34
Budgetary Comparison Schedule-Title III C-2	F-3	35
Budgetary Comparison Schedule-Title III E	F-4	36
Other Supplemental Information		
Schedule of Non-Major Special Revenue Funds	G	38
Comparative Schedule of General Fixed Assets and Changes in General Fixed Assets	H	39

Natchitoches Parish Council on Aging, Inc.

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Internal Control and Compliance		
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	I	41-42
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	J	43-44
Notes to Schedule of Expenditures of Federal Awards	K	45
Schedule of Findings and Questioned Costs	L	46
Summary Schedule of Prior Audit Findings	M	47

**NATCHITOCHEES PARISH COUNCIL ON AGING, INC.**  
1016 Keyser Avenue  
Natchitoches , LA 71457

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Management's Discussion and Analysis is an element of the new reporting model adopted by the *Governmental Accounting Standards Board (GASB)* in their Statement No. 34. As this is the first year the Council will be reporting under this new model, certain comparative information with the previous year, which by design included in this model, will not be presented in the analysis, as permitted by GASB No. 34 with respect to first year reporting. Please read it in conjunction with the financial statements, which begin on page 12.

**Financial Highlights**

This annual report consists of a series of new financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Council as a whole and present a longer-term view of the Council's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending.

**Reporting the Council as a Whole Using Government-Wide Statements**

The Statement of Net Assets and the Statement of Activities report information about the Council as a whole and about its activities. 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.

The Government-Wide Statements report the Council's net assets and changes in them. 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, you will need to 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. These activities include an Administration function and a Health, Welfare, and Social Services function. The Health, Welfare, and Social Services function is comprised of various programs that include various supportive social services, nutritional services, utility assistance, and disease prevention and health promotion. All activities of the Council are considered to be governmental activities. A governmental activity is one where the Council uses money it receives from government grants and contracts, along with donations from the general public, to pay for the services it provides to the general public, or a segment of the general public, such as the elderly. In other words, the people benefiting from the services are not required to pay for what they receive.

## **Reporting the Council's Most Significant Funds Using Fund Financial Statements**

The Fund Financial Statements can be found on pages 13-16 and provide detailed information about the most significant funds - not the Council as a whole. In the Fund Financial Statements you will see a General Fund and a variety of Special Revenue Funds. The General Fund is used to account for all financial resources except those that are required to be accounted for in another fund. The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. By using separate funds to track revenues and expenditures, we can control and manage funds for particular purposes or we can show that the fund is meeting legal responsibilities for using certain grants and other money.

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 at year-end that are available for spending. These funds are reported using an accounting method called the *modified* accrual 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 you determine whether there are more or fewer financial resources that can be spent in the near future to finance the council's programs. We have presented the difference between the net assets of governmental activities and the fund balances of the governmental funds in a reconciliation at the bottom of the Balance Sheet for Governmental Funds. In addition, the difference between the change in net assets for the governmental funds and the change in net assets for the governmental activities has been presented in reconciliation on a separate page that follows the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental 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 can be found on pages 18-30. You should read the notes 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 No. 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted annual budget. The schedules compare the original and final appropriated budgets to actual budget results for the Council's fiscal year.

Major funds are those funds whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds.

Management's Discussion and Analysis is also required supplementary information (RSI) by GASB Statement No. 34. However, it is presented as the first item in this reporting package and not with the other RSI by GASB Statement No. 34.

### **Other Supplementary Financial Information Required by GOEA and OMB Circular A-133**

The Council has also presented other required supplemental information in this report package. The Governor's Office of Elderly Affairs (GOEA) has required the Council to present as schedules the information on pages 36 through 38. This information will be used by GOEA to verify the accuracy of information the Council submitted to it during the year and to help GOEA monitor certain compliance requirements set forth in the grants that it has with the Council.

The Office of Management and Budget (OMB) through its Circular A-133 requires a Schedule of Expenditures of Federal Awards. This schedule will present required 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.

### **An Analysis of the Council as a Whole Using Government-Wide Financial Statements**

The following reflects condensed information on the Council's net assets as of June 30, 2004:

Assets:	
Accounts Receivable	\$ 47,608
Capital Asset, Net	<u>141,237</u>
Total Assets	<u>\$188,845</u>
Liabilities:	
Note Payable	\$ 6,867
Compensated Absences	<u>7,490</u>
Total Liabilities	<u>\$ 14,357</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	\$134,370
Unrestricted	<u>40,118</u>
Total Net Assets	<u>\$174,488</u>

As of June 30, 2004, the Council "as a whole" had assets greater than its liabilities by \$160,131.

**Summary of Statement of Activities**

Revenues:	
Program Revenues:	
Charges for Services	\$ 506
Operating Grants and Contributions	909,622
General Revenues:	
Unrestricted Grants and Contributions	<u>51,933</u>
Total Revenue	<u>\$962,061</u>
Direct, Program Expenses of the Health, Welfare, and Social Services Function:	
Supportive Services:	
Information & Assistance	\$ 4,411
Transportation	45,154
Homemaker	5,720
Outreach	3,111
Other	20,620
Nutrition Services:	
Congregate Meals (C-1)	132,203
Home Delivered Meals (C-2)	141,932
Senior Center	39,580
Area Agency Administration	47,194
Audit Fund	5,500
Adult Daycare	140,255
National Family Caregiver Support	43,156
Disease Prevention and Health Promotion	5,673
Medicaid	16
FEMA	10,667
Section 5311	155,872
NFRC	7,272
Direct Administration Expenses	<u>120,130</u>
Total Expenses	<u>\$928,466</u>
Change in Net Assets	<u>\$ 33,595</u>

**An Analysis of Governmental Activities**

Most of the Council's activities are funded by federal, state, and local grants. The amount of funds available from most of the grants remains rather constant from year to year, however, some grant amounts may change based upon the level of service provided by the Council under the terms of the particular grant award.

The Council also receives donations from its clients and the general public. These revenues help to lessen the financial burden on the Council and allow it to maintain and expand services.

Economic Factors and Next Year's Budgets

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 service provided by the council, and therefore, revenues may vary from year to year.

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 Frances Welch, Executive Director, 1016 Keyser Avenue, Natchitoches, LA 71457.

**Johnson, Thomas & Cunningham**  
Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1962-1996)

Mark D. Thomas, CPA – A Professional Corporation  
Roger M. Cunningham, CPA – A Professional Corporation

321 Bienville Street  
Natchitoches, Louisiana 71457  
(318) 352-3652  
Fax (318) 352-4447

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Natchitoches Parish Council on Aging, Inc.  
Natchitoches, Louisiana 71457

We have audited the financial statements of the governmental activities, major funds, and remaining fund information, which collectively comprise the basic financial statements, of the Natchitoches Parish Council on Aging, Inc. (Council), as of and for the year ended June 30, 2004, as listed in the Table of Contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express opinions 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 and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major funds, and remaining fund information of the Natchitoches Parish Council on Aging, Inc., at June 30, 2004, and the changes in financial position of those activities and funds and the budgetary comparisons presented as Other Required Supplemental Information, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis and the schedules presented therewith are not required parts of the basic financial statements, but are supplementary information required by the GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

As described in Note 2 to the basic financial statements, the Council adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*; Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments; Omnibus*; and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of July 1, 2003. This results in a change in the format and content of the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the Council’s basic financial statements. The combining and individual fund statements and schedules described in the Table of Contents as Other Supplemental Schedules and the Schedule of Expenditures of Federal Awards, which is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*, are not required parts of the basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 19, 2004, on our consideration of the Councils’ internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

**Johnson, Thomas & Cunningham**

Johnson, Thomas & Cunningham, CPA’s

December 19, 2004

Natchitoches, Louisiana

## BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Natchitoches Parish Council on Aging, Inc.  
Statement of Net Assets  
June 30, 2004

	Governmental <u>Activities</u>
ASSETS:	
Cash	\$ 47,608
Capital Assets, Net of Accumulated Depreciation	<u>141,237</u>
Total Assets	<u>\$188,845</u>
LIABILITIES:	
Liabilities:	
Accrued Compensated Absences	\$ 7,490
Note Payable – Ford Motor Credit	<u>6,867</u>
Total Liabilities	<u>\$ 14,357</u>
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	\$134,370
Unrestricted	<u>40,118</u>
Total Net Assets	<u>\$174,488</u>

See notes to financial statements.

Natchitoches Parish Council on Aging, Inc.  
Government-Wide Statement of Activities  
For the Year Ended June 30, 2004

Activities	Direct Expenses	Indirect Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets in Net Assets Government Activities
			Charges for Services	Operating Grants and Contributions	
Governmental Activities:					
Health, Welfare & Social Services-					
Supportive Services-					
Title III-B-					
Information & Assistance	\$ 3,307	\$ 1,104	\$ 0	\$ 4,411	\$ 0
Transportation	39,476	5,678	506	49,622	4,974
Homemaker	5,720	0	0	5,720	0
Outreach	2,396	715	0	3,111	0
Other	15,590	5,030	0	32,417	11,797
Nutrition Services:					
Congregate Meals (C-1)	115,982	16,221	0	132,289	86
Home Delivered Meals (C-2)	125,658	16,274	0	132,819	(9,113)
Multipurpose Senior Center	39,580	0	0	0	(39,580)
Area Agency Administration	47,194	0	0	32,137	(15,057)
Audit Fund	5,500	0	0	2,012	(3,488)
Adult Daycare (XIX)	140,255	0	0	146,273	6,018
National Family Caregiver Support	39,021	4,135	0	34,515	(8,641)
Disease Prevention & Health Promotion	4,650	1,023	0	5,246	(427)
Nutritional Services Incentives Program	0	0	0	34,000	34,000
Medicaid	16	0	0	1,288	1,272
FEMA	10,667	0	0	13,452	2,785
Section 5311	155,872	0	0	169,540	13,668
NFRC	7,272	0	0	12,941	5,669
Administration	<u>120,130</u>	<u>0</u>	<u>0</u>	<u>97,829</u>	<u>(22,301)</u>
Total Governmental Activities	<u>\$878,286</u>	<u>\$50,180</u>	<u>\$506</u>	<u>\$909,622</u>	\$ (18,338)
General Revenues:					
Grants and Contributions					
not restricted to specific programs					
<u>51,933</u>					
Change in Net Assets					
\$ 33,595					
Net Assets July 1, 2003					
(Restated, see Note 2)					
<u>140,893</u>					
Net Assets June 30, 2004					
<u>\$174,488</u>					

See notes to financial statements.

FUND FINANCIAL STATEMENTS

Natchitoches Council on Aging, Inc.  
Balance Sheet-Governmental Funds  
June 30, 2004

	Major Funds										Total Governmental Funds
	General Fund	Title III C-1	Title III C-2	Nutrition Services	FEMA	NFRC	Section 5311	Title III E	Adult Daycare	Non-Major Funds	
<b>Assets:</b>											
Cash	\$15,274	\$0	\$0	\$16,469	\$5,137	\$9,150	\$7,445	\$0	\$0	\$5,943	\$59,418
<b>Liabilities:</b>											
Cash Overdraft	\$0	\$0	\$8,136	\$0	\$0	\$0	\$0	\$3,674	\$0	\$0	\$11,810
<b>Fund Balance:</b>											
<b>Unreserved/Undesignated- (Deficit)</b>											
General Fund	\$15,274	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,274
Special Revenue	0	0	(8,136)	16,469	5,137	9,150	7,445	(3,674)	0	5,943	32,334
<b>Total Fund Balance (Deficit)</b>	\$15,274	\$0	\$(8,136)	\$16,469	\$5,137	\$9,150	\$7,445	\$(3,674)	\$0	\$5,943	\$47,608
<b>Total Liabilities and Fund Balance</b>	\$15,274	\$0	\$0	\$16,469	\$5,137	\$9,150	\$7,445	\$0	\$0	\$5,943	

Amounts reported for governmental activities in the Statement of Net Assets are different because:

- Compensated absences are not paid out of current financial resources and therefore are not reported in the funds	\$ (7,490)
- Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	141,237
- Long-Term Debt used in governmental activities are not financial Resources and therefore are not reported in the funds	(6,867)
<b>Net Assets of Governmental Activities</b>	<b>\$174,488</b>

See notes to financial statements.

Natchitoches Parish Council on Aging, Inc.  
Statement of Revenues, Expenditures  
and Changes in Fund Balance-Governmental Funds  
For the Year Ended June 30, 2004

	Major Funds										Total Governmental Funds
	General Fund	Title III C-1	Title III C-2	Nutrition Services	FEMA	NFRC	Section 5311	Title III E	Adult Daycare	Non-Major Funds	
REVENUES:											
Intergovernmental-											
Governor's Office of Elderly Affairs	\$ 18,186	\$126,497	\$129,425	\$ 34,000	\$ 0	\$ 0	\$ 0	\$34,515	\$ 0	\$143,013	\$485,636
Local Governments	0	0	0	0	0	0	108,557	0	120,863	0	229,420
FEMA	0	0	0	0	13,452	0	0	0	0	0	13,452
Miscellaneous-											
Program & Other Income	29,952	0	0	0	0	12,942	0	0	0	1,288	44,182
Participant Contributions	67,878	5,792	3,394	0	0	0	35,573	0	0	506	113,143
Total Revenues	<u>\$116,016</u>	<u>\$132,289</u>	<u>\$132,819</u>	<u>\$ 34,000</u>	<u>\$13,452</u>	<u>\$12,942</u>	<u>\$144,130</u>	<u>\$34,515</u>	<u>\$120,863</u>	<u>\$144,807</u>	<u>\$885,833</u>
EXPENDITURES:											
Health & Welfare											
Current-											
Personal	\$ 714	\$ 44,565	\$ 36,530	\$ 0	\$ 0	\$ 0	\$ 66,055	\$14,488	\$ 68,302	\$ 63,834	\$294,488
Fringe	125	7,625	6,911	0	0	0	14,361	2,140	14,363	18,339	63,864
Travel	20	6,595	3,630	0	0	0	742	234	428	753	12,402
Operating Services	79,614	15,635	13,346	0	10,667	0	34,344	2,449	29,444	34,315	219,814
Operating Supplies	15	4,249	6,018	0	0	7,272	21,045	225	14,387	13,563	66,774
Other	0	51,806	73,897	0	0	0	6,104	22,583	90	18,782	173,262
Capital Outlay	39,648	0	0	0	0	0	3,500	0	0	5,445	48,593
Total Expenditures	<u>\$120,136</u>	<u>\$130,475</u>	<u>\$140,332</u>	<u>\$ 0</u>	<u>\$10,667</u>	<u>\$ 7,272</u>	<u>\$146,151</u>	<u>\$42,119</u>	<u>\$127,014</u>	<u>\$155,031</u>	<u>\$879,197</u>

Continued next page

Natchitoches Parish Council on Aging, Inc.  
Statement of Revenues, Expenditures  
and Changes in Fund Balance-Governmental Funds  
For the Year Ended June 30, 2004

	Major Funds										Total Governmental Funds
	General Fund	Title III C-1	Title III C-2	Nutrition Services	FEMA	NFRC	Section 5311	Title III E	Adult Daycare	Non-Major Funds	
Excess (Deficiency) of Revenues over Expenditures	\$ (4,120)	\$ 1,814	\$ (7,513)	\$ 34,000	\$ 2,785	\$ 5,670	\$ (2,021)	\$ (7,604)	\$ (6,151)	\$ (10,224)	\$ 6,636
OTHER FINANCING											
SOURCES (USES):											
Operating Transfers In	\$ 147	\$ 16,339	\$ 17,532	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,077	\$ 21,528	\$ 18,296	\$ 77,919
Operating Transfers Out	(27,431)	0	0	(17,513)	(4,482)	0	(21,528)	(147)	0	(6,800)	(77,919)
Total Other Financing Sources and Uses	\$ (27,284)	\$ 16,339	\$ 17,532	\$(17,513)	\$(4,482)	\$ 0	\$(21,528)	\$ 3,930	\$ 21,528	\$ 11,496	\$ 0
Net Increase (Decrease) in Fund Balance	\$ (31,404)	\$ 18,153	\$ 10,019	\$ 16,469	\$(1,697)	\$ 5,670	\$(23,549)	\$ (3,674)	\$ 15,377	\$ 1,272	\$ 6,636
FUND BALANCES (Deficit):											
Beginning of Year	46,678	(18,153)	(18,155)	0	6,834	3,480	30,994	0	(15,377)	4,672	40,973
End of Year	\$ 15,274	\$ 0	\$ (8,136)	\$ 16,469	\$ 5,137	\$ 9,150	\$ 7,445	\$(3,674)	\$ 0	\$ 5,943	\$ 47,608

See notes to financial statements.

Natchitoches Parish Council on Aging, Inc.  
Reconciliation of the Statement of Revenue, Expenditures  
And Changes in Fund Balance to the Statement of Activities  
June 30, 2004

Net Increase in Fund Balance - Governmental Funds \$ 6,636

Amounts reported for Governmental Activities  
in the Statement of Activities are different because:

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 as  
depreciation expense. Equipment, buildings, and vehicles  
net of accumulated depreciation.

18,405

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  
Note Payable-Long-Term

3,109  
5,445

Increase of net assets of governmental activities

\$33,595

**NOTES TO FINANCIAL STATEMENTS**

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2004

Introduction

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 Natchitoches 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; to provide for a 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 when requested to do so; to coordinate and monitor services of other local agencies serving the aging people of the parish; and to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA) 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 Natchitoches Parish include providing congregate and home delivered meals, nutritional education, personal care, information and assistance, outreach material aid, utility assistance, homemakers, recreation, legal assistance, disease prevention, health promotion, and transportation.

1. Summary of Significant Accounting Policies:

A. 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. However, before the council on aging can begin operations in a specific parish, its application for a charter must receive approval from the Governor's Office of Elderly Affairs pursuant to LA R.S. 46:1602. The functions of each council on aging in Louisiana must comply with the objectives of state laws and are governed by the policies and regulations established by GOEA.

The Natchitoches Council on Aging is a legally separate, non-profit, quasi-public corporation. A board of directors, consisting of 18 voluntary members, who serve three-year terms, governs the Council.

Membership in the Council is open at all times, without restriction, to all residents of Natchitoches Parish who have reached the age of majority and who express an interest in the Council and wish to contribute to or share in its programs. Membership fees are not charged.

Based on the criteria set forth in GASB Statement No. 14, the Natchitoches Council on Aging 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 GASB Codification Section 2100, the Council has presented its financial statements as a primary government, because it is a special-purpose government that has a separately elected governing body, is legally separate,

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2004

and is fiscally independent of other state and local governments. As used in GASB Statement 14, the term fiscally independent means that the Council may, without approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. As previously mentioned, GOEA establishes the policies and regulations that all councils must follow. Included in its policies is a provision that the Council's budget be approved by GOEA. However, this approval process is part of GOEA's general oversight responsibility for the Council and is more ministerial or compliance oriented than substantive.

Accordingly, the Council is viewed as being fiscally independent for purposes of applying the reporting entity criteria of GASB Statement 14.

**B. Basis of Presentation**

The Council's statements are prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). 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.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Certain of the significant changes in the Statement include the following:

1. For the first time the financial statements include:
  - A Management Discussion and Analysis (MD&A) section providing an analysis of the Council's overall financial position and results of operations.
  - Governmental-Wide Financial statements prepared using full accrual accounting for all of the Council's activities.
2. A change in the fund financial statements to focus on the major funds.

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2004

Government-Wide Financial Statements

The Council's basic financial statements include both Government-Wide (reporting the Council as a whole) and fund financial statements (reporting the council's major 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 been classified as governmental activities.

In the Government-Wide Statement of Net Assets, the governmental type activities column (a) is presented on a consolidated basis by column, (b) and is reported 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. Invested in capital assets, net of related debt 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 consist 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 include all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

*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 like intergovernmental revenues, and unrestricted investment income, 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 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. The Council did not receive any capital-specific grants this year.*

The Council allocates its indirect costs among various functions and programs in accordance with Circular A-87. The Statement of Activities shows this allocation in a separate column labeled "indirect cost allocation." In addition, GOEA provides 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 funds are allocated to the Council's other functions and programs.

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2004

The Government-Wide Statements focus upon the Council's ability to sustain operations and the change in its net assets resulting from the current year's activities.

C. Fund Accounting

The financial transactions of the Council are reported in individual funds in the Fund Financial Statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are 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 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.

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 that 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. 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

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

Special Revenue Fund

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. A large percentage of the Council's special revenue funds are Title III funds. These funds are provided by the United States Department of Health and Human Services - Administration on Aging to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2004

The Council has established several special revenue funds. The following is a brief description of each special revenue fund's purpose:

Major Special Revenue Funds

Section 5311 Fund

The Section 5311 Fund was established to account for funds under the U.S. Department of Transportation's Public Transportation for Nonurbanized Areas - Section 5311 Program. The Louisiana Department of Transportation and Development (DOTD) receives these funds for the State of Louisiana and passes them through to the Council via the Natchitoches Parish Police Jury. Funds earned and received by the Council are based on actual operating costs of providing transportation services to rural residents within Natchitoches Parish. As part of calculating the operating costs of this program, the Council may apportion some of the in-kind contributions it receives as allowable transportation expenses. This provision results in the Council receiving cash reimbursement for costs that did not spend cash for. Section 5311 funds are used as operating transfers to help pay for costs incurred in providing transportation services under the Council's various transportation programs.

FEMA

The FEMA Fund is used to account for the administration of a program which purpose is to supplement food and shelter assistance to qualified individuals.

NFRC

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

Title III C-1 Fund

The Title III C-1 Fund is used to account for funds that are used to provide nutritional, congregate meals to the elderly.

Title III C-2 Fund

The Title III C-2 Fund is used to account for funds that are used to provide nutritional meals to homebound older persons.

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2004

Title II-E Fund

The Title III-E Fund is used to account for funds used in providing multifaceted systems of support services for: (1) family caregivers; and (2) grandparents or older individuals who are relative caregivers. Services to be provided include: information to caregivers about available services; assistance to caregivers in gaining access to the services; individual counseling, and caregiver training to caregivers to assist the caregivers in making decisions *and solving problems relating to their caregiving roles; respite care to enable caregivers to be temporarily relieved to their caregiving responsibilities; and supplemental services, on a limited basis, to complements the care provided by caregivers.*

Title XIX Adult Daycare Program

The Adult Daycare Program is used to provide adult daycare to the elderly.

N.S.I.P. Fund

The Nutritional Services Incentive Program Fund is used to account for the administration of Nutrition Program for the Elderly funds provided through the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

Non-Major Special Revenue Funds

Title III B Fund

The Title III B Fund is used to account for funds which are used to provide various units of supportive social services to the elderly. GOEA has established the criteria for defining a *qualifying unit of service for each Title III program.*

Title III C Area Agency Administration Fund

The Title III C Area Agency Administration Fund is used to account for a portion of the indirect costs of administrating 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 elderly. 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 bear to direct costs for all programs.

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2004

Title III D Fund

The Title III D Fund is used to account for funds used for disease prevention and health promotion activities.

Senior Center Fund

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to GOEA, which in turn “passes through” the funds to the council. The purpose of this program is to provide a community service center at which 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.

Welfare to Work

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

Medicaid Transportation

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

Utility Assistance Fund

The Utility Assistance Fund is used to account for the administration of utility assistance programs that are 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. Helping Hands donations are provided through the Louisiana Association of Councils on Aging, Inc. (LACOA).

Audit Fund

The Audit Fund is used to account for funds received from the Governor’s Office of Elderly Affairs that are restricted to use as a supplement to pay for the cost of having an annual audit of the Council’s financial statements. The cost allocated to this fund is equal to the GOEA supplement. Excess audit costs have been distributed to other funds and programs using the Council’s indirect cost allocation formula.

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2004

Supplemental Senior Center Fund

The Supplemental Senior Center Fund was established to account for funds that were appropriated by the Louisiana Legislature for the various councils on aging throughout Louisiana to supplement each council's primary grant for senior center operations and activities.

D. Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Council as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. 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. The Council considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2004

E. Interfund Activity

Interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. All other interfund transactions are treated as transfers. Transfers represent a permanent reallocation of resources between funds. 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 in the Government-Wide Financial Statements.

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and petty cash. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Cash and cash equivalents are reported at their carrying amounts that equal their fair values.

G. Capital Assets

The accounting and reporting treatment applied the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been 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. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. 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.

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 estimated useful lives of the various classes of depreciable capital assets are as follows:

Building Improvements	20 years
Equipment	5-7 years
Vehicles	5 years
Computers	3 years

Salvage values have not been estimated by management when calculating how much of an asset's cost needs to be depreciated.

Depreciation is not computed or recorded on capital assets for purposes of the Fund Financial Statements.

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2004

H. Unpaid Compensated Absences

The Council's policies for vacation time 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. 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 at the end of the year.

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, no amounts have been accrued as fund liabilities as of year-end in the Fund Financial Statements.

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.

I. 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 that is 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 cost allocation according to their grant or contract limitations.

J. Management's Use of Estimates

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

K. 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.

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2004

2. Changes in Accounting Principles:

For the year ended June 30, 2004, the Council has implemented GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. GASB No. 34 creates new basic financial statements for reporting on the Council's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements.

The implementation of GASB No. 34 caused the opening fund balance at June 30, 2003, to be restated in terms of "net assets" as follows:

Total fund balance-Governmental Fund at June 30, 2003		\$ 40,973
Add: Cost of capital assets at June 30, 2003	\$ 444,950	
Less: Accumulated Depreciation at June 30, 2003	(322,119)	
Less: Note Payable at June 30, 2003	(12,312)	
Less: Compensated Absences at June 30, 2003	<u>(10,599)</u>	<u>99,920</u>
Net Assets at June 30, 2003		<u>\$140,893</u>

3. Cash in Bank:

The Council maintains a consolidated bank account to deposit the money it collects and to pay its bills. The consolidated bank account is available for use by all funds. The purpose of this consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash balances to cover any negative cash balances in other funds at year end. At June 20, 2004, the balance of the Council's consolidated bank account was \$61,786. All of the deposits were covered by federal depository insurance.

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2004

4. Changes in Capital Assets:

A summary of changes in capital assets is as follows:

<u>Activities</u>	<u>Balance 07-01-03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06-30-04</u>
Capital Assets Depreciated:				
Buildings	\$ 1,619	\$ 0	\$0	\$ 1,619
Furniture & Equipment	103,651	0	0	103,651
Vehicles	<u>339,680</u>	<u>79,730</u>	<u>0</u>	<u>419,410</u>
Total Assets	<u>\$444,950</u>	<u>\$79,730</u>	<u>\$0</u>	<u>\$524,680</u>
Less, Accumulated Depreciation:				
Buildings	\$ 842	\$ 65	\$0	\$ 907
Furniture & Equipment	50,810	17,740	0	68,550
Vehicles	<u>270,467</u>	<u>43,519</u>	<u>0</u>	<u>313,986</u>
Total Accumulated Depreciation	<u>\$322,119</u>	<u>\$61,324</u>	<u>\$0</u>	<u>\$383,443</u>
Net Capital Assets	<u>\$122,831</u>	<u>\$18,406</u>	<u>\$0</u>	<u>\$141,237</u>

Depreciation by Governmental Activities:

Section 18	\$13,395
Title 19	13,395
AAA	14,624
Title III C-1	2,625
Title III C-2	2,625
Title III D	281
Title III B	13,395
Title III E	<u>984</u>
Total	<u>\$61,324</u>

5. Board of Directors' Compensation:

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for any out-of-pocket costs they might incur on behalf of the Council in accordance with the Council's applicable reimbursement policy.

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2004

6. 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. It is also exempt from Louisiana income tax.

7. Judgments, Claims, and Similar Contingencies:

There is no litigation pending against the Council at year end.

8. 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 collectibility of any related receivable at yearend may 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.

9. Economic Dependency:

The Council receives the majority of its revenue 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. Management is not aware of any actions that will adversely affect the amount of funds the council will receive in the next fiscal year.

Natchitoches Parish Council on Aging, Inc.  
Notes to Financial Statements  
June 30, 2004

10. Interfund Transfers:

	Local	Title III C-1	Title III C-2	Title III B	Title III E	AAA	Senior Center	Title III D	Audit	Adult Daycare	Total
Transfer from:											
General Fund	\$ 0	\$11,857	\$ 1	\$1,815	\$4,077	\$512	\$ 5,674	\$7	\$3,488	\$ 0	\$27,431
Special Revenue Funds:											
Major Funds-											
National Family Caregiver Support	\$147	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 147
Section 5311-Title XVIII	0	0	0	0	0	0	0	0	0	21,528	21,528
FEMA	0	4,482	0	0	0	0	0	0	0	0	4,482
Nutrition Services	0	0	17,531	0	0	0	0	0	0	0	17,531
Non-major Funds-											
Supplemental Senior Center	0	0	0	0	0	0	6,800	0	0	0	6,800
Total Special Revenue Funds	\$147	\$ 4,482	\$17,531	\$ 0	\$ 0	\$ 0	\$ 6,800	\$0	\$ 0	\$21,528	\$50,488
Total All Funds	\$147	\$16,339	\$17,532	\$1,815	\$4,077	\$512	\$12,474	\$7	\$3,488	\$21,528	\$77,919

Transfers are used to:

1. 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 to
2. Use unrestricted revenues collected in the other funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

These transfers were eliminated as a part of the consolidation process in preparing the Government-Wide Financial Statements.

11. Related Party Transactions:

There were no significant related party transactions during the year.

**REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES**

Natchitoches Parish Council on Aging, Inc.  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2004

	<u>Budget</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable <u>(Unfavorable)</u>
<b>REVENUES:</b>				
Intergovernmental-				
Office of the Governor-GOEA	\$21,048	\$21,048	\$ 18,186	\$ (2,862)
Miscellaneous-				
Program & Other Income	0	0	29,952	29,952
Participant Contributions	<u>0</u>	<u>0</u>	<u>67,878</u>	<u>67,878</u>
Total Revenues	<u>\$21,048</u>	<u>\$21,048</u>	<u>\$116,016</u>	<u>\$ 94,968</u>
<b>EXPENDITURES:</b>				
Current-				
Personnel	\$ 656	\$ 656	\$ 714	\$ (58)
Fringe	175	175	125	50
Travel	17	17	20	(3)
Operating Services	64	64	79,614	(79,550)
Operating Supplies	344	344	15	329
Other Costs	6,267	6,267	0	6,267
Capital Outlay	<u>13,525</u>	<u>13,525</u>	<u>39,648</u>	<u>(26,123)</u>
Total Expenditures	<u>\$21,048</u>	<u>\$21,048</u>	<u>\$120,136</u>	<u>\$ (99,088)</u>
Excess (Deficiency) of Revenues over Expenditures	\$ <u>0</u>	\$ <u>21,048</u>	\$ <u>(4,120)</u>	\$ <u>(4,120)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	\$ 0	\$ 0	\$ 147	\$ 147
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>(27,431)</u>	<u>(27,431)</u>
Total Other Financing	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(27,284)</u>	\$ <u>(27,284)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 0	\$ 0	\$ (31,404)	\$ (31,404)
Fund Balance-Beginning of Year	<u>46,678</u>	<u>46,678</u>	<u>46,678</u>	<u>0</u>
Fund Balance-End of Year	<u>\$46,678</u>	<u>\$46,678</u>	<u>\$ 15,274</u>	<u>\$ (31,404)</u>

See notes to financial statements.

Natchitoches Parish Council on Aging, Inc.  
Title III C-1  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2004

	<u>Budget</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Intergovernmental-				
Office of the Governor-GOEA	\$108,342	\$108,342	\$126,497	\$ 18,155
Miscellaneous-				
Program & Other Income	5,220	5,220	0	(5,220)
Participant Contributions	<u>0</u>	<u>0</u>	<u>5,792</u>	<u>5,792</u>
Total Revenues	<u>\$113,562</u>	<u>\$113,562</u>	<u>\$132,289</u>	<u>\$ 18,727</u>
<b>EXPENDITURES:</b>				
Current-				
Personnel	\$ 43,650	\$ 43,650	\$ 44,565	\$ (915)
Fringe	11,205	11,205	7,625	3,580
Travel	270	270	6,595	(6,325)
Operating Services	13,700	13,700	15,635	(1,935)
Operating Supplies	4,060	4,060	4,249	(189)
Other Costs	<u>40,677</u>	<u>40,677</u>	<u>51,806</u>	<u>(11,129)</u>
Total Expenditures	<u>\$113,562</u>	<u>\$113,562</u>	<u>\$130,475</u>	<u>\$(16,913)</u>
Excess (Deficiency) of Revenues over Expenditures	\$ <u>0</u>	\$ <u>0</u>	\$ <u>1,814</u>	\$ <u>1,814</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	\$ 0	\$ 0	\$ 16,339	\$ 16,339
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 16,339</u>	<u>\$ 16,339</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 0	\$ 0	\$ 18,153	\$ 18,153
Fund Balance-Beginning of Year	<u>0</u>	<u>0</u>	<u>(18,153)</u>	<u>(18,153)</u>
Fund Balance-End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See notes to financial statements.

Natchitoches Parish Council on Aging, Inc.  
Title III C-2  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2004

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental-				
Office of the Governor-GOEA	\$119,407	\$119,407	\$129,425	\$ 10,018
Local Governments	35,000	35,000	0	(35,000)
Miscellaneous-				
Program & Other Income	3,140	3,140	0	(3,140)
Participant Contributions	<u>0</u>	<u>0</u>	<u>3,394</u>	<u>3,394</u>
Total Revenues	<u>\$157,547</u>	<u>\$157,547</u>	<u>\$132,819</u>	<u>\$(24,728)</u>
<b>EXPENDITURES:</b>				
Current-				
Personnel	\$ 38,246	\$ 38,246	\$ 36,530	\$ 1,716
Fringe	10,321	10,321	6,911	3,410
Travel	11,489	11,489	3,630	7,859
Operating Services	11,231	11,231	13,346	(2,115)
Operating Supplies	5,755	5,755	6,018	(263)
Other Costs	<u>80,505</u>	<u>80,505</u>	<u>73,897</u>	<u>6,608</u>
Total Expenditures	<u>\$157,547</u>	<u>\$157,547</u>	<u>\$140,332</u>	<u>\$ 17,215</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 0	\$ 0	\$ (7,513)	\$ (7,513)
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	\$ 0	\$ 0	\$ 17,532	\$ 17,532
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,532</u>	<u>\$ 17,532</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 0	\$ 0	\$ 10,019	\$ 10,019
Fund Balance-Beginning of Year	<u>0</u>	<u>0</u>	<u>(18,155)</u>	<u>(18,155)</u>
Fund Balance-End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (8,136)</u>	<u>\$ (8,136)</u>

See notes to financial statements.

Natchitoches Parish Council on Aging, Inc.  
Title III E  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2004

	<u>Budget</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Intergovernmental-				
Office of the Governor-GOEA	\$38,042	\$38,042	\$34,515	\$(3,527)
Miscellaneous-				
Program & Other Income	<u>985</u>	<u>985</u>	<u>0</u>	<u>(985)</u>
Total Revenues	<u>\$39,027</u>	<u>\$39,027</u>	<u>\$34,515</u>	<u>\$(4,512)</u>
<b>EXPENDITURES:</b>				
Current-				
Personnel	\$13,428	\$13,428	\$14,488	\$(1,060)
Fringe	3,325	3,325	2,140	1,185
Travel	298	298	234	64
Operating Services	1,984	1,984	2,449	(465)
Operating Supplies	240	240	225	15
Other Costs	<u>18,767</u>	<u>18,767</u>	<u>22,583</u>	<u>(3,816)</u>
Total Expenditures	<u>\$38,042</u>	<u>\$38,042</u>	<u>\$42,119</u>	<u>\$(4,077)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 985</u>	<u>\$ 985</u>	<u>\$ (7,604)</u>	<u>\$(8,589)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	\$ 0	\$ 0	\$ 4,077	\$ 4,077
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>(147)</u>	<u>(147)</u>
Total Other Financing	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,930</u>	<u>\$ 3,930</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 985	\$ 985	\$(3,674)	\$(4,659)
Fund Balance-Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 985</u>	<u>\$ 985</u>	<u>\$(3,674)</u>	<u>\$(4,659)</u>

See notes to financial statements.

OTHER SUPPLEMENTARY INFORMATION

Natchitoches Parish Council on Aging, Inc.  
Schedule of Non-Major Special Revenue Funds  
For the Year Ended June 30, 2004

	Multipurpose Senior Centers	Senior Community Employment Services	Title III B	Audit	Utility Assistance	Medicaid Program	Title III D	AAA	Totals
<b>REVENUES:</b>									
Intergovernmental- Office of the Governor-GOEA	\$33,747	\$ 0	\$69,871	\$ 2,012	\$ 0	\$ 0	\$5,246	\$32,137	\$143,013
Miscellaneous- Program & Other Income	0	0	0	0	0	1,288	0	0	1,288
Participant Contributions	0	0	506	0	0	0	0	0	506
<b>Total Revenues</b>	<b>\$33,747</b>	<b>\$ 0</b>	<b>\$70,377</b>	<b>\$ 2,012</b>	<b>\$ 0</b>	<b>\$1,288</b>	<b>\$5,246</b>	<b>\$32,137</b>	<b>\$144,807</b>
<b>EXPENDITURES:</b>									
Current-									
Health & Welfare-									
Personnel	\$13,148	\$ 0	\$31,794	\$ 0	\$ 0	\$ 0	\$3,623	\$15,269	\$ 63,834
Fringe	2,540	0	7,393	0	0	0	541	7,865	18,339
Travel	210	0	261	0	0	0	11	271	753
Operating Services	16,303	0	10,330	0	0	0	253	7,429	34,315
Operating Supplies	2,057	0	9,741	0	0	16	63	1,686	13,563
Other Costs	5,163	0	7,228	5,500	0	0	762	129	18,782
Capital Outlay	0	0	5,445	0	0	0	0	0	5,445
<b>Total Expenditures</b>	<b>\$39,421</b>	<b>\$ 0</b>	<b>\$72,192</b>	<b>\$ 5,500</b>	<b>\$ 0</b>	<b>\$ 16</b>	<b>\$5,253</b>	<b>\$32,649</b>	<b>\$155,031</b>
Excess (Deficiency) of Revenues over Expenditures	\$ (5,674)	\$ 0	\$ (1,815)	\$ (3,488)	\$ 0	\$ 1,272	\$ (7)	\$ (512)	\$ (10,224)
<b>OTHER FINANCING SOURCES (USES):</b>									
Operating Transfers In	\$12,474	\$ 0	\$ 1,815	\$ 3,488	\$ 0	\$ 0	\$ 7	\$ 512	\$ 18,296
Operating Transfers Out	(6,800)	0	0	0	0	0	0	0	(6,800)
<b>Total Other Financing</b>	<b>\$ 5,674</b>	<b>\$ 0</b>	<b>\$ 1,815</b>	<b>\$ 3,488</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 7</b>	<b>\$ 512</b>	<b>\$ 11,496</b>
Net Increase (Decrease) in Fund Balances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,272	\$ 0	\$ 0	\$ 1,272
Fund Balance-Beginning of Year	0	136	0	0	2,661	1,875	0	0	4,672
Fund Balance-End of Year	\$ 0	\$136	\$ 0	\$ 0	\$2,661	\$3,147	\$ 0	\$ 0	\$ 5,944

See notes to financial statements.

Natchitoches Parish Council on Aging, Inc.  
Comparative Schedule of General Fixed Assets  
and Changes in General Fixed Assets  
For the Year Ended June 30, 2004

	<u>June 30, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2004</u>
<b>GENERAL FIXED ASSETS:</b>				
Buildings	\$ 1,619	\$ 0	\$0	\$ 1,619
Furniture & Equipment	103,651	0	0	103,651
Vehicles	<u>339,680</u>	<u>79,730</u>	<u>0</u>	<u>419,410</u>
Total	<u>\$444,950</u>	<u>\$79,730</u>	<u>\$0</u>	<u>\$524,680</u>
<b>INVESTMENT IN GENERAL FIXED ASSETS:</b>				
Property Acquired with Funds from-				
National Family Caregiver Support (III E)	\$ 4,922	\$ 0	\$0	\$ 4,922
Area Agency Administration	85,867	0	0	85,867
Nutrition Services:				
Congregate Meals (C-1)	34,946	0	0	34,946
Home Delivered Meals (C-2)	34,947	0	0	34,947
Section 5311	94,287	26,577	0	120,864
Adult Daycare – Title XIX	94,287	26,577	0	120,864
Supportive Services:				
Information & Assistance	23,572	6,644	0	30,216
Transportation	23,572	6,644	0	30,216
Homemaker	23,572	6,644	0	30,216
Outreach	23,572	6,644	0	30,216
Disease Prevention	<u>1,406</u>	<u>0</u>	<u>0</u>	<u>1,406</u>
Total	<u>\$444,950</u>	<u>\$79,730</u>	<u>\$0</u>	<u>\$524,680</u>

See notes to financial statements.

## INTERNAL CONTROL AND COMPLIANCE

# Johnson, Thomas & Cunningham

## Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1962-1996)

Mark D. Thomas, CPA – A Professional Corporation  
Roger M. Cunningham, CPA – A Professional Corporation

321 Bienville Street  
Natchitoches, Louisiana 71457  
(318) 352-3652  
Fax (318) 352-4447

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

To the Board of Directors of  
Natchitoches Parish Council on Aging, Inc.  
Natchitoches, Louisiana 71457

We have audited the basic financial statements of the Natchitoches Parish Council on Aging, Inc., as of and for the year ended June 30, 2004, and have issued our report thereon dated December 19, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*.

#### Compliance

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

#### Internal Control over Financial Reporting

In planning and performing our audit, we considered the Natchitoches Parish Council on Aging, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amount that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the Louisiana Legislative Auditor, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, the report is distributed by the Legislative Auditor as a public document.

**Johnson, Thomas & Cunningham**

Johnson, Thomas & Cunningham, CPA's

December 19, 2004

Natchitoches, Louisiana

**Johnson, Thomas & Cunningham**  
Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1962-1996)

Mark D. Thomas, CPA – A Professional Corporation  
Roger M. Cunningham, CPA – A Professional Corporation

321 Bienville Street  
Natchitoches, Louisiana 71457  
(318) 352-3652  
Fax (318) 352-4447

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

To the Board of Directors of  
Natchitoches Parish Council on Aging, Inc.  
Natchitoches , Louisiana 71457

Compliance

We have audited the compliance of the Natchitoches Parish Council on Aging, Inc., with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. The Natchitoches Parish Council on Aging, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Natchitoches Parish Council on Aging, Inc.'s management. Our responsibility is to express an opinion on the Natchitoches Parish Council on Aging, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Natchitoches Parish Council on Aging, Inc.'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 on the Natchitoches Parish Council on Aging, Inc.'s compliance with those requirements.

*In our opinion, the Natchitoches Parish Council on Aging, Inc., complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.*

Internal Control over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Louisiana Legislative Auditor, management, others within the organization, and federal awarding agencies and pass-through entities and *is not intended to be and should not be used by anyone other than these specified parties*. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

**Johnson, Thomas & Cunningham**

Johnson, Thomas & Cunningham, CPA's

December 19, 2004  
Natchitoches, Louisiana

Natchitoches Parish Council on Aging, Inc.  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2004

<u>Federal Grantor/Pass through Grantors/Program</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Revenues</u>	<u>Expenditures</u>
Department of Health and Human Services:				
Passed through La. Governor's Office of Elderly Affairs-				
Special Program for the Aging-				
Title III B-(Support Services)	93.044	\$ 69,871	\$ 69,871	\$ 69,871
Title III C-I (Administration)	93.045	32,137	32,137	32,137
Title III C-I (Meals)	93.045	126,497	126,497	126,497
Title III C-II (Home Deliveries Meals)	93.045	129,425	129,425	129,425
Title III D (Health Facilitation)	93.043	5,246	5,246	5,246
Title III E (Care Giver)	93.052	34,515	34,515	34,515
Nutritional Services Incentive Program	93.053	34,000	34,000	34,000
Department of Transportation:				
Passed through Natchitoches Parish Police Jury-				
Public Transportation FTA Section 5311	20.509	<u>108,557</u>	<u>108,557</u>	<u>108,557</u>
TOTALS		<u>\$540,248</u>	<u>\$540,248</u>	<u>\$540,248</u>

Natchitoches Parish Council on Aging, Inc.  
Findings and Questioned Costs  
Year Ended June 30, 2004

**I. SUMMARY OF AUDITORS' RESULTS**

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

1. An unqualified opinion was issued on the financial statements of the Natchitoches Parish Council on Aging, Inc. as of and for the year ended June 30, 2004.
2. There were no findings in internal control disclosed by the audit of the financial statements for the year ended June 30, 2004.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.
4. The audit did not disclose any reportable conditions in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit did not disclose any findings related to federal awards that are required to be reported under OMB Circular A-133.
7. The following programs were major for the year ended June 30, 2004:
  - a. GOEA Cluster of Federal Programs
  - b. Dept. of Transportation-Public Transportation FTA Section 5311
8. \$300,000 was the threshold used to distinguish Type A from Type B programs.
9. The Natchitoches Parish Council on Aging, Inc. did not qualify as a low-risk auditee.

Natchitoches Parish Council on Aging, Inc.  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2004

Compliance

- 03-1 *Condition*-Louisiana Revised Statutes require the Natchitoches Parish Council on Aging, Inc. to submit annual financial statements to the Louisiana Legislative Auditor within six months of the end of its fiscal year. For the year ended June 30, 2003, we were unable to obtain all required documentation/information within this six month time frame. This is a repeat finding from 2002.

*Current Status*-Corrected for year ended June 30, 2004.

Internal Control

- 03-2 *Condition*-Although some improvement from prior years were noted, the accounting system used by the Natchitoches Parish Council on Aging, Inc. still does not provide all necessary information needed to produce accurate financial statements, or to provide a useful audit trail. This is a repeat finding from 2000, 2001, and 2002.

*Audit Status*-Corrected for year ended June 30, 2004.

- 03-3 *Condition*-During our audit procedures, we noted numerous instances in which there were no supporting documents attached to the check copy.

*Current Status*-Corrected for year ended June 30, 2004.