

NEW ORLEANS COUNCIL ON AGING, INC.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

June 30, 2006

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 3-7-07

CASCIO & SCHMIDT, LLC
Certified Public Accountants

NEW ORLEANS COUNCIL ON AGING, INC.

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2006**

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STATE FUNDED SENIOR CENTERS**

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NEW ORLEANS COUNCIL ON AGING, INC.
MANAGEMENTS'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2006

Within this section of the New Orleans Council on Aging, Inc.'s annual financial report, New Orleans Council on Aging, Incorporated's (N.O.C.O.A.) management is pleased to provide this narrative discussion and analysis of the financial activities of the N.O.C.O.A. for the year ended June 30, 2006. N.O.C.O.A.'s financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

Net Assets - The assets of NOCOA exceeded its liabilities by \$714,120 (2005 - \$371,847), presented as "net assets". Total net assets are comprised of the following:

- Capital assets, include property and equipment, net of accumulated depreciation, as follows:

	<u>2006</u>	<u>2005</u>
Transportation equipment, less accumulated depreciation	\$ <u>37,988</u>	\$ <u>-</u>

- Restricted assets

	<u>2006</u>	<u>2005</u>
Grant revenue from Entergy for utility assistance	\$ 56,142	\$ 56,140
Grant Revenue from the Governor's Office of Elderly Affairs for nutrition services, caregiver program and senior centers	403,770	109,916
Other	<u>33,338</u>	<u>43,974</u>
	<u>\$ 493,250</u>	<u>\$ 210,030</u>

- Unrestricted net assets amount to \$182,882 (2005 - \$161,817).

Changes in Net Assets - N.O.C.O.A.'s total net assets increased by \$342,273 (2005 - \$28,817).

NEW ORLEANS COUNCIL ON AGING, INC.
MANAGEMENTS'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2006

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces N.O.C.O.A.'s basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also includes certain other additional information to supplement the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The **government-wide financial statements** are designed to provide readers with a broad overview of the New Orleans Council On Aging, Inc.'s finances, in a manner similar to a private-sector business.

The **Statement of Net Assets** presents information on all of the New Orleans Council On Aging, Inc.'s assets and liabilities, with the difference between the two reported as **net assets**. Over time, increases or decreases in net assets may serve as a useful indicator of whether or not the financial position of the New Orleans Council on Aging, Inc. is deteriorating.

The **Statement of Activities**, reports how N.O.C.O.A.'s net assets changed during the current fiscal year. All current year revenue and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the reliance of N.O.C.O.A.'s distinct activities or functions on revenues resulting from services provided by N.O.C.O.A., and to other governmental agencies.

The government-wide financial statements present governmental activities of N.O.C.O.A., that are principally supported by funding from the Governor's Office of Elderly Affairs, the City of New Orleans, and other various grants received by this agency over the fiscal year ended June 30, 2006.

The government-wide financial statements are presented on pages 9 and 10 of this report.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Council uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Council's most significant funds rather than the Council as a whole.

The Council uses only governmental funds.

Governmental funds are reported in the fund financial statements and encompass the same function reported as government activities in the government-wide financial statements. However, the focus is different with fund statements providing a distinctive view of the Council's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the programs and the commitment of spendable resources for the near-term.

**NEW ORLEANS COUNCIL ON AGING, INC.
MANAGEMENTS'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2006**

The basic governmental fund financial statements are presented on pages 11 through 18 of this report.

Notes to the basic financial statements:

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 19 of this report.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Council's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the general fund. These schedules demonstrate compliance with the Council's original and final budget.

Title III (C1) - Congregate Meals Program, Title III (C2) - Home Delivered Meals Program. Title III B Supportive Services, NISP Cash in Lieu of Commodities, and Supplemental Senior Center.

These schedules demonstrate compliance with the Council and final budget.

FINANCIAL ANALYSIS OF THE OFFICE AS A WHOLE

The Council implemented the new financial reporting model used in this report beginning with the fiscal year ended June 30, 2005. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Council as a whole.

The Council's net assets at fiscal year-end are \$714,120 (2005 - \$371,847). The following table provides a summary of the Council's assets, liabilities and net assets.

GOVERNMENTAL ACTIVITIES

<u>Assets</u>	<u>2006</u>	<u>2005</u>
Cash	\$ 582,036	\$ 446,702
Receivables	281,732	111,500
Capital Assets	<u>37,988</u>	<u>-</u>
Total Assets	<u>\$ 901,756</u>	<u>\$ 558,202</u>

NEW ORLEANS COUNCIL ON AGING, INC.
MANAGEMENTS'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2006

Liabilities:

	<u>2006</u>	<u>2005</u>
Accounts payable and current liabilities	\$ <u>187,636</u>	\$ <u>186,335</u>
Total liabilities	187,636	186,335

Net Assets:

Investment on net capital assets	\$ 37,988	\$ -
Restricted	493,250	210,030
Unrestricted	<u>182,882</u>	<u>161,817</u>
Total net assets	\$ <u>714,120</u>	\$ <u>371,847</u>

Overall, the Council reported net assets of \$714,120. This amount is \$342,273 higher than the prior year.

Comparative data is accumulated and presented to assist analysis in future years.

The following table provides a summary of the Office's changes in net assets:

Summary of Changes in Net Assets

	<u>Governmental Activities</u>	
	<u>2006</u>	<u>2005</u>
Revenues:		
Operating grants and contributions	\$ 3,437,836	\$ 5,267,646
Charges for services	8,192	51,768
Interest income	<u>39,567</u>	<u>16,810</u>
Total Revenue	\$ <u>3,485,595</u>	\$ <u>5,336,224</u>
Expenses:		
Personnel	\$ 902,363	\$ 1,431,590
Fringes	156,428	226,229
Travel	11,754	41,794
Operating Services	321,391	348,299
Operating Supplies	80,331	78,976
Other costs	142,015	211,589
Capital outlay	43,689	3,450
Full service contracts	1,028,495	1,655,697

NEW ORLEANS COUNCIL ON AGING, INC.
MANAGEMENTS'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2006

	<u>2006</u>	<u>2005</u>
Expenses (continued)		
Food costs	372,522	932,968
Utility assistance	<u>122,322</u>	<u>423,581</u>
Total Expenses	<u>3,181,310</u>	<u>5,354,173</u>
Increase (decrease) in net assets	304,285	(17,949)
Net assets, beginning of year	<u>371,847</u>	<u>389,796</u>
Net assets, end of year	\$ <u>676,132</u>	\$ <u>371,847</u>

GOVERNMENTAL REVENUES:

The Council is heavily reliant on municipal, state and federal grants to support its operations.

GOVERNMENTAL FUNCTIONAL EXPENSES:

The total function of the Council is to serve the elderly.

FINANCIAL ANALYSIS OF THE COUNCIL'S FUNDS

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of year in comparison with upcoming financing requirements. Governmental funds reported an ending fund balance of \$676,132 (2005 - \$371,847), the unrestricted fund balance totaled \$182,882 (2005 - \$161,817), which represents and increase of \$21,065 (2005 - \$59,099).

Major and Non-Major Governmental Funds

The General Fund is the Council's primary operating fund. The governmental funds for the year ended June 30, 2006 increased by approximately \$21,000 (2005 - \$59,000).

BUDGETARY HIGHLIGHTS

When the original budget was adopted, it was anticipated that the total revenues and total expenditures were going to approximate those of the previous fiscal year adjusted, for inflation and salary increases. While there were no significant deviations from the original approval budget, the Council ended the fiscal year with an operating surplus of approximately \$304,000, and ended with an operating deficit of approximately \$20,000 in 2005.

**NEW ORLEANS COUNCIL ON AGING, INC.
MANAGEMENTS'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2006**

CAPITAL ASSETS

Capital assets consist of the following:

	<u>2006</u>	<u>2005</u>
Depreciable assets:		
Transportation Equipment	\$ 50,692	\$ 44,770
Less Accumulated Depreciation	<u>12,704</u>	<u>44,770</u>
	<u>\$ 37,988</u>	<u>\$ -</u>

Depreciation on the transportation equipment for the year totaled \$534 (2005 - \$10,868).

ECONOMIC OUTLOOK

The 2005-2006 Program year of the New Orleans Council on Aging was dictated by the events of August 29, 2005. The New Orleans Council on Aging operated 32 meal sites in the City of New Orleans, and subcontracted 18 Senior Centers before the storm. The staff of the New Orleans Council on Aging stood at 65 employees and an estimated funding level of over 4 million dollars. The operation of the New Orleans Council on Aging was displaced to the East Baton Rouge Council on Aging from September 2005 to February 1, 2006.

In the aftermath of the events of August 29, 2005, the New Orleans Council on Aging is now operating 7 Senior Centers, 7 meal sites, and has at present 25 employees. The budget of the New Orleans Council on Aging was reduced by approximately 2 million dollars in October 2005. The storm also reduced the number of elderly served by the organization. Prior to Katrina there were an estimated 70,000 senior citizens in the City of New Orleans; currently there is estimated to be about 30,000.

Contacting the Council's Financial Management

The financial report is designed to provide a general overview of the Council's finances, comply with state laws and regulations, and demonstrate the Council's commitment to public accountability. If you have any questions about this report or would like to request additional information, please contact the New Orleans Counsel on Aging, Inc.'s office at (504) 821-4121.

CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA
STEVEN A. SCHMIDT, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
New Orleans Council on Aging, Inc.

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of New Orleans Council on Aging, Inc. as of and for the year ended June 30, 2006, which collectively comprise the New Orleans Council on Aging, Inc.'s basic financial statements as listed in the table of contents. These financial statements are the responsibility of New Orleans Council on Aging, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Council's 2005 financial statements and, in our report dated February 23, 2006, we expressed an unqualified opinion on those financial statements.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the New Orleans Council on Aging, Inc. as of June 30, 2006, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 17, 2006, on our consideration of New Orleans Council on Aging, Inc.'s internal control over financial reporting and 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.

The management's discussion and analysis on pages 1 through 6, and budgetary comparison information on pages 34 through 39, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the New Orleans Council on Aging, Inc.'s basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of New Orleans Council on Aging, Inc. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Cassio P. Schmidt, PLLC.

Metairie, Louisiana
November 17, 2006

NEW ORLEANS COUNCIL ON AGING, INC.

STATEMENT OF NET ASSETS

June 30, 2006

	Governmental Activities	Total Memorandum Only <u>June 30, 2005</u> Governmental Activities
ASSETS		
Cash and cash equivalents	\$ 582,036	\$ 446,702
Receivables		
Grants	281,732	100,335
Other	-	11,165
Capital assets, net of accumulated depreciation	<u>37,988</u>	<u>-</u>
Total assets	<u>901,756</u>	<u>558,202</u>
LIABILITIES		
Accounts payable and accrued liabilities	112,656	98,445
Accrued compensated absences	<u>74,980</u>	<u>87,910</u>
Total liabilities	<u>187,636</u>	<u>186,355</u>
NET ASSETS		
Invested in capital assets	37,988	-
Restricted		
Supplemental Senior Center	28,290	-
Nutrition services	328,599	109,916
Other	136,361	100,114
Unrestricted	<u>182,882</u>	<u>161,817</u>
Total net assets	<u>\$ 714,120</u>	<u>\$ 371,847</u>

The notes to the financial statements are an integral part of this statement.

NEW ORLEANS COUNCIL ON AGING, INC.

STATEMENT OF ACTIVITIES

For the year ended June 30, 2006

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS	Total Memorandum Only For the Year ended June 30, 2005
	EXPENSES	CHARGES FOR SERVICES		
Primary Government				
Governmental Activities				
General	\$ 222,054	\$ -	\$ 97,511	\$ 63,029
Supportive services	573,401	-	(100,180)	(67,581)
Nutrition services	662,764	8,192	257,205	(32,734)
Utility assistance	137,955	-	2	(70,754)
Multipurpose senior centers	707,850	-	58,716	51,857
Preventive Health	38,598	-	(15,300)	(1,891)
Retired senior volunteers	121,412	-	(19,698)	8,236
Senior companion	212,501	-	(18,454)	17,137
Caregiver	135,795	-	46,881	(20,726)
Home improvement	-	-	-	10,000
Senior Rx	141,995	-	-	-
Disaster assistance	19,455	-	545	-
Administration	169,542	-	(1,858)	-
Total Governmental Activities	\$ 3,143,322	\$ 8,192	\$ 305,370	(43,427)
General Revenues:				
Unrestricted interest				
Transfers in (out)			36,903	14,610
Total general revenue and transfers			36,903	14,610
Change in net assets			342,273	(28,817)
Net Assets				
Beginning of year			371,847	400,664
End of year			\$ 714,120	\$ 371,847

The notes to the financial statements are an integral part of this statement.

NEW ORLEANS COUNCIL ON AGING, INC.

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2006

	<u>GENERAL FUND</u>	<u>TITLE III C1 CONGREGATE MEAL PROGRAM</u>
ASSETS		
Cash and cash equivalents	\$ 540,049	\$ -
Receivables		
Grants	45,000	91,620
Due from other funds	-	-
Other	<u>-</u>	<u>-</u>
Total assets	<u>\$ 585,049</u>	<u>\$ 91,620</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	38,210	800
Accrued compensated absences	74,980	-
Due to other funds	<u>288,977</u>	<u>90,820</u>
Total liabilities	<u>402,167</u>	<u>91,620</u>
Fund balances:		
Unreserved		
General Fund	182,882	-
Special Revenue Funds	<u>-</u>	<u>-</u>
Total fund balances	<u>182,882</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 585,049</u>	<u>\$ 91,620</u>

The notes to the financial statements are an integral part of this statement.

NEW ORLEANS COUNCIL ON AGING, INC.

BALANCE SHEET
GOVERNMENTAL FUNDS - Continued

June 30, 2006

	NSIP CASH IN <u>LIEU OF COMMODITIES</u>	TITLE III C2 HOME DELIVERED MEALS <u>PROGRAM</u>	TITLE III B SUPPORTIVE <u>SERVICES</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Receivables			
Grants	17,103	-	-
Dues from other funds	311,496	83,009	46,204
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 328,599</u>	<u>\$ 83,009</u>	<u>\$ 46,204</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	-	17,057	46,204
Accrued compensated absences	-	-	-
Due to other funds	<u>-</u>	<u>65,952</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>83,009</u>	<u>46,204</u>
Fund balances:			
Unreserved			
General Fund	-	-	-
Special Revenue Funds	<u>328,599</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>328,599</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 328,599</u>	<u>\$ 83,009</u>	<u>\$ 46,204</u>

The notes to the financial statements are an integral part of this statement.

NEW ORLEANS COUNCIL ON AGING, INC.

BALANCE SHEET
GOVERNMENTAL FUNDS - Continued

June 30, 2006

	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>	<u>TOTAL MEMORANDUM ONLY JUNE 30, 2005</u>
ASSETS			
Cash and cash equivalents	\$ 41,987	\$ 582,036	\$ 446,702
Receivables			
Grants	45,000	281,732	100,335
Dues from other funds	88,049	445,749	225,209
Other	<u>-</u>	<u>-</u>	<u>11,165</u>
Total assets	<u>\$ 175,036</u>	<u>\$ 1,309,517</u>	<u>\$ 783,411</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	10,385	112,656	98,445
Accrued compensated absences	-	74,980	87,910
Due to other funds	<u>-</u>	<u>445,749</u>	<u>225,209</u>
Total liabilities	<u>10,385</u>	<u>633,385</u>	<u>411,564</u>
Fund balances:			
Unreserved			
General Fund	-	182,882	161,817
Special Revenue Funds	<u>164,651</u>	<u>493,250</u>	<u>210,030</u>
Total fund balances	<u>164,651</u>	676,132	371,847
Total liabilities and fund balances	<u>\$ 175,036</u>		
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds			
		<u>37,988</u>	<u>-</u>
Net assets of governmental activities		<u>\$ 714,120</u>	<u>\$ 371,847</u>

The notes to the financial statements are an integral part of this statement.

NEW ORLEANS COUNCIL ON AGING, INC.

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS

For the year ended June 30, 2006

	For the year ended <u>June 30, 2006</u>	Total <u>Memorandum Only</u> For the year ended <u>June 30, 2005</u>
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Total Fund Balances at June 30, 2006 - Governmental funds	\$ 676,132	\$ 371,847
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets are \$50,692, and the accumulated depreciation is \$12,704 .	<u>37,988</u>	<u>-</u>
Total net assets of Governmental Activities at June 30, 2006	\$ <u>714,120</u>	\$ <u>371,847</u>

The notes to the financial statements are an integral part of this statement.

NEW ORLEANS COUNCIL ON AGING, INC.

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES

For the year ended June 30, 2006

	<u>GENERAL FUND</u>	<u>TITLE III (C1) CONGREGATE MEALS PROGRAM</u>	<u>TITLE III (C2) HOME DELIVERED MEALS PROGRAM</u>
REVENUES			
Intergovernmental:			
Governor's Office of Elderly Affairs	\$ 65,752	\$ 344,857	\$ 332,758
City of New Orleans	70,000	-	-
Corporation for National and Community Services	-	-	-
Governor's Office of Urban Affairs	-	-	-
Participant contributions	-	-	8,192
Contributions	183,813	-	-
Interest income	<u>36,903</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>356,468</u>	<u>344,857</u>	<u>340,950</u>
EXPENDITURES			
Current:			
Personnel	105,389	71,093	77,262
Fringe benefits	19,136	22,854	24,780
Travel	583	245	258
Operating services	43,764	35,296	43,932
Operating supplies	17,472	4,710	9,012
Other costs	35,176	-	-
Capital outlay	-	-	39,322
Full service contracts	-	-	-
Food costs	-	210,659	157,696
Utility assistance	-	-	-
Total Expenditures	<u>221,520</u>	<u>344,857</u>	<u>352,262</u>
Excess (deficiency) of revenue over (under) expenditures	134,948	-	(11,312)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	11,312
Transfers out	<u>(113,883)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(113,883)</u>	<u>-</u>	<u>11,312</u>
Net change in fund balances	21,065	-	-
FUND BALANCES			
Beginning of the year	<u>161,817</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 182,882</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

NEW ORLEANS COUNCIL ON AGING, INC.

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - Continued

For the year ended June 30, 2006

	<u>TITLE III B SUPPORTIVE SERVICES</u>	<u>NSIP CASH IN LIEU OF COMMODITIES</u>	<u>SUPPLEMENTAL SENIOR CENTER</u>
REVENUES			
Intergovernmental:			
Governor's Office of Elderly Affairs	\$ 473,221	\$ 229,995	\$ 568,530
City of New Orleans	-	-	-
Corporation for National and Community Services	-	-	-
Governor's Office of Urban Affairs	-	-	-
Participant contributions	-	-	-
Contributions	-	-	-
Interest income	-	-	-
Total Revenues	<u>473,221</u>	<u>229,995</u>	<u>568,530</u>
EXPENDITURES			
Current:			
Personnel	135,269	-	-
Fringe benefits	29,044	-	-
Travel	1,562	-	-
Operating services	89,758	-	-
Operating supplies	5,671	-	-
Other costs	5,837	-	-
Capital outlay	-	-	-
Full service contracts	306,260	-	531,986
Food costs	-	-	-
Utility assistance	-	-	-
Total Expenditures	<u>573,401</u>	<u>-</u>	<u>531,986</u>
Excess (deficiency) of revenue over (under) expenditures	(100,180)	229,995	36,544
OTHER FINANCING SOURCES (USES)			
Transfers in	100,180	-	-
Transfers out	-	(11,312)	(8,254)
Total other financing sources (uses)	<u>100,180</u>	<u>(11,312)</u>	<u>(8,254)</u>
Net change in fund balances	-	218,683	28,290
FUND BALANCES			
Beginning of the year	-	<u>109,916</u>	-
End of year	<u>\$ -</u>	<u>\$ 328,599</u>	<u>\$ 28,290</u>

The notes to the financial statements are an integral part of this statement.

NEW ORLEANS COUNCIL ON AGING, INC.

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - Continued

For the year ended June 30, 2006

	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>	<u>Total Memorandum Only For the year ended June 30, 2005</u>
REVENUES			
Intergovernmental			
Governor's Office of Elderly Affairs	\$ 732,224	\$ 2,747,337	\$ 4,078,702
City of New Orleans	4,167	74,167	200,000
Corporation for National and Community Services	259,595	259,595	371,514
Governor's Office of Urban Affairs	-	-	25,000
Participant contributions	-	8,192	51,768
Contributions	172,924	356,737	592,430
Interest income	<u>2,664</u>	<u>39,567</u>	<u>16,810</u>
Total Revenues	<u>1,171,574</u>	<u>3,485,595</u>	<u>5,336,224</u>
EXPENDITURES			
Current:			
Personnel	513,350	902,363	1,431,590
Fringe benefits	60,614	156,428	226,229
Travel	9,106	11,754	41,794
Operating services	108,641	321,391	348,299
Operating supplies	43,466	80,331	78,976
Other costs	101,002	142,015	211,589
Capital outlay	4,367	43,689	3,450
Full service contracts	190,249	1,028,495	1,655,697
Food costs	4,167	372,522	932,968
Utility assistance	<u>122,322</u>	<u>122,322</u>	<u>423,581</u>
Total Expenditures	<u>1,157,284</u>	<u>3,181,310</u>	<u>5,354,173</u>
Excess (deficiency) of revenue over (under) expenditures	14,290	304,285	(17,949)
OTHER FINANCING SOURCES (USES)			
Transfers in	97,577	209,069	419,510
Transfers out	(75,620)	(209,069)	(419,510)
Total other financing sources (uses)	<u>21,957</u>	<u>-</u>	<u>-</u>
Net change in fund balances	36,247	304,285	(17,949)
FUND BALANCES			
Beginning of the year	<u>110,114</u>	<u>371,847</u>	<u>389,796</u>
End of year	\$ <u>136,361</u>	\$ <u>676,132</u>	\$ <u>371,847</u>

The notes to the financial statements are an integral part of this statement.

NEW ORLEANS COUNCIL ON AGING, INC.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the year ended June 30, 2006

	For the year ended <u>June 30, 2006</u>	Total <u>Memorandum Only</u> For the year ended <u>June 30, 2005</u>
Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total government fund	\$ 304,285	\$ (17,949)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period	<u>37,988</u>	<u>(10,868)</u>
Changes in net assets of governmental activities	\$ <u>342,273</u>	\$ <u>(28,817)</u>

The notes to the financial statements are an integral part of this statement.

NEW ORLEANS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2006

NOTE A - PURPOSE OF THE NEW ORLEANS COUNCIL ON AGING, INC., AND REPORTING ENTITY

1. Purpose of the New Orleans Council on Aging, Inc.

The purpose of the New Orleans Council on Aging, Inc. (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 Orleans 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 Orleans Parish include providing congregate and home delivered meals, nutritional education, personal care, information and assistance, outreach, material aid, home repairs, utility assistance, homemakers, recreation, legal assistance, disease prevention, health promotion, and transportation.

2. 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 could begin operations in a specific parish, its application or 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 Board of Directors shall be composed of no less than eleven members, and no more than twenty-one. At present, there are 19 members. They are elected for terms of three years, with approximately one-third elected each year. Members of the Board are elected by secret ballot by the general membership of the New Orleans Council on Aging, Inc. The Board members shall reside in Orleans parish throughout their tenure.

Membership in the Council is open at all times, without restriction, to all residents of Orleans 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.

NEW ORLEANS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

June 30, 2006

NOTE A - PURPOSE OF THE NEW ORLEANS COUNCIL ON AGING, INC. AND REPORTING ENTITY - (Continued)

2. Reporting Entity - (Continued)

Based on the criteria set forth in GASB Statement 14, the New Orleans Council on Aging, Inc. 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, 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, and set its own rates or charges. 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.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Presentation of Financial Statements

The accompanying basic financial statements of New Orleans Council on Aging, Inc. have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

NEW ORLEANS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

June 30, 2006

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Basic Financial Statements - Government-Wide 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. The Council does not have any business-type activities, fiduciary funds, or any component units that are fiduciary in nature.

In the Government-Wide Statement of Net Assets, the governmental type activities column is presented on a consolidated basis 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, if any. The Council's net assets are reported in three parts - invested in capital assets, restricted net assets; and unrestricted net assets. Investment in capital assets, are presented net of accumulated depreciation. 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."

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 Cash In Lieu of Commodities 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 Cash In Lieu of Commodities 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 GOEA. 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, the Council will depart from its usual policy of using restricted resources first.

NEW ORLEANS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

June 30, 2006

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Basic Financial Statements - Government-Wide Statements - Continued

The Government-Wide Statement of Activities reports both the gross revenue and net revenue 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. 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 grants. The Council did not receive any capital-specific grants this year.

The Council allocated its indirect costs among various functions and programs in accordance with circular A-87. 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.

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.

3. Basic Financial Statements - Fund Financial Statements:

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.

NEW ORLEANS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

June 30, 2006

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Basic Financial Statements - Fund Financial Statements: - Continued

Governmental fund equity is named "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 is the primary operating fund of the Council. It accounts for all financial resources, except those required to be accounted for in another 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.

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

The General Fund is the primary operating fund of the Council. It accounts for all financial resources of the Council, except those required to be accounted for in another fund.

The Title III C-1 Fund (Congregate Meals Program) is used to account for funds that are used to provide nutritional, congregate meals to the elderly at meal sites located in Orleans Parish.

NEW ORLEANS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

June 30, 2006

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Basic Financial Statements - Fund Financial Statements: - Continued

The Title III C-2 Fund (Home Delivered Meals Program) is used to account for Federal funds that are used to provide nutritional meals to homebound older persons.

The Title III B Fund (Supportive Services) is used to account for funds, which are used to provide various units of supportive social services to the elderly.

The N.S.I.P. Cash in Lieu of Commodities Fund is used to account for the administration of the nutrition programs for the elderly. The funds are provided by the United States Department of Agriculture through the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. The primary purpose of the NSIP reimbursement is to provide money to the Council so that food and commodities may be purchased to supplement nutrition programs.

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.

Non-Major Special Revenue Funds

The Title III C - 1 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 that each program's direct costs bear to the direct costs for all programs.

The Audit Funds are 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.

Administrative Seed Funds are received by the Council to offset administrative costs of developing innovative programs for the elderly.

NEW ORLEANS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

June 30, 2006

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Basic Financial Statements - Fund Financial Statements: - Continued

Non-Major Special Revenue Funds - Continued

The Meals on Wheels Fund is used to account for funds to provide home delivered meals to homebound elderly persons through restricted contributions from a non-profit organization.

Pontchartrain Senior Center is located in Pontchartrain Park in New Orleans and is operated by the New Orleans Council on Aging, Inc. The center provides community services to older persons.

The Retired Senior Volunteer Program Fund is used to account for Federal funds which are provided directly by the Corporation for National and Community Service (CNCS), and State funds which are provided directly by the Louisiana Governor's Office of Elderly Affairs to pay for expenses incurred by senior citizens, age 55 and over, who have volunteered their time to assist non-profit and government entities in the parish.

The III - E Caregiver Fund is used to account for funds which are used to provide public education, information and assistance, individual counseling, support groups, group respite, institutional respite, material aid, and personal care to the elderly.

The Title III - D Preventive Health Fund is used to account for funds used for disease prevention and health promotion activities or services, such as (1) equipment and material (scales to weigh people, educational materials, and exercise equipment), (2) home injury control, (3) medication management, (4) mental health, and (5) nutrition (assessment/screening, counseling, and education). The law directs the state agency administering this program to "give priority to areas of the state which are medically underserved and in which there are a large number of older individuals who have the greatest economic and social need."

Senior Rx Program is a senior drug program to assist the elderly in the City of New Orleans.

The Senior Center Program is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The Council operates one senior center in Orleans Parish, Louisiana. The other 12 senior centers are contracted by the Council with other non-profit organizations operating senior centers in Orleans Parish.

NEW ORLEANS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS - *Continued*

June 30, 2006

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

3. Basic Financial Statements - Fund Financial Statements: - *Continued*

Non-Major Special Revenue Funds - *Continued*

The Senior companion Fund is used to account for Federal funds which are provided directly by CNCS and State funds which are provided directly by the Louisiana Governor's Office of Elderly Affairs to pay for expenses incurred by low-income senior citizens, age 60 and over, who have volunteered their time to provide individual care and assistance to primarily the frail, elderly persons who are home-bound.

FEMA -Katrina Fund is used to account for funds used to defray costs associated with Hurricane Katrina.

The Community Development Block Grant which flows through the City of New Orleans to the Council provides supplemental funds to administer the home delivered meals program for low income and elderly individuals.

The Helping Hands Program is used to account for funds collected from the public by Entergy and provided to the Council to assist the elderly in paying their utility bills.

NEW ORLEANS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

June 30, 2006

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Measurement Focus and Basis of Accounting:

a. **Accrual Basis - Government-Wide Financial Statements**

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 or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

b. **Modified Accrual Basis - Fund Financial Statements:**

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 claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

5. Interfund Activity:

Interfund activity consists of transfers between funds and 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.

6. Fair Value of Financial Instruments:

Cash, cash equivalents, and temporary investments carrying amounts reported in the statement of net assets approximate fair value because of the short maturities of those investments.

NEW ORLEANS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

June 30, 2006

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7. Capital Assets:

The accounting and reporting treatment applied to 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 \$5,000, 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 assets. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, 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 capital assets consist of transportation equipment with a useful life of three years.

8. Accrued 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.

9. 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 allocations according to their grant or contract limitations.

NEW ORLEANS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

June 30, 2006

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

10. 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.

11. Eliminations 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. However, interfund receivables and payables are presented in the balance sheets of the governmental funds.

12. Restricted Assets

Restricted net assets are reported in the Statement of Net Assets when constraints are placed on their use, as follows:

Grant revenue from Entergy for utility assistance.

Grant revenue from the City of New Orleans for nutritional home delivered meals.

13. Budgets

The Council is required by state law to adopt annual budgets for the General Fund and Special Revenue Funds. Each budget is presented on the accrual basis of accounting.

14. Memorandum Only Columns

Total columns are captioned "Memorandum Only" to indicate that they are presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE C - REVENUE RECOGNITION

For financial reporting, the General Fund, Title III B Supportive Services Program, Title III (C1) Congregate Meal Program, Title III (C2) Home Delivered Meals Programs, Title III D - Preventive Health, Title III E - Caregiver Program, Homemaker Grant, Home Improvement Program, State funded Senior Center Programs, Senior Rx Program, and State Funds recognize revenue on a pro-rata basis of its approved budget. Retired Senior Volunteer Program (RSVP), Senior Companion Program (SCP), and Helping Hands Program, recognize revenue as received. The Community Development Block Grant (CDBG) Entitlement Grant recognizes revenue on a cost reimbursement basis.

NEW ORLEANS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

June 30, 2006

NOTE C - REVENUE RECOGNITION - Continued

Intergovernmental grant revenues are recorded in governmental funds as revenues in the accounting period when they become susceptible to accrual, that is measurable and available (modified accrual basis). Intergovernmental grants do not allow the Council to recognize revenue under the grant award until actual costs are incurred or units of service are provided. Senior Center, Senior Rx, State Allocation (Act 735), Title III B, C-1, C-2, D and E funds are received as a monthly allocation of the total grant in advance of the actual expenditures, but are not susceptible to accrual as revenue until the actual expenditures are made. CDBG, Retired Senior Volunteer Program, Senior Companion Program, and Audit funds are also recognized as revenue once the related cost has been incurred, and the grant reimbursement is measurable and available.

NSIP Cash In Lieu of Commodities program funds are earned and become susceptible to accrual based upon the number of units provided to program participants and are recorded as revenues at that time.

The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1 and C-2 programs. Utility assistance funds are provided from public donations sponsored by Entergy, Inc. The timing and amounts of the receipts of public support and miscellaneous revenues are difficult to predict, therefore, they are not susceptible to accrual and are recorded as revenue in the period received.

NOTE D - CASH

The Council's funds are required to be deposited and invested under the terms established by the Governor's Office of Elderly Affairs. The depository bank deposits for safekeeping and trust with the Council's third party agent approved pledged securities in an amount sufficient to protect the Council funds on a day-to-day basis. The Council may at its own discretion, invest funds in time deposits and certificates of deposit at interest rates approximating United States Treasury Bill rates.

At June 30, 2006, the carrying amount of the Council's deposits (cash and certificates of deposit) was \$582,036, and the bank balance was \$800,158. The entire bank balance throughout the year was covered by federal depository insurance or by collateral held by the Council's agent in the Council's name.

NOTE E - GRANT RECEIVABLES

Grant receivables consist of reimbursements for expenses incurred under the following programs as of June 30, 2006.

<u>Programs</u>	
City of New Orleans	\$ 45,000
Governor's Office of Elderly Affairs	191,732
Access To Benefits Coalition	20,000
Corporation for National and Community Service	<u>25,000</u>
Total grant receivables	<u>\$ 281,732</u>

NEW ORLEANS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

June 30, 2006

NOTE F - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follow:

	<u>Balance</u> <u>7/1/05</u>	<u>Acquisitions</u>	<u>Retirements</u>	<u>Balance</u> <u>6/30/06</u>
Transportation equipment	\$ 44,770	\$ 38,522	\$ (32,600)	\$ 50,692
Less: Accumulated Depreciation	<u>(44,770)</u>	<u>(534)</u>	<u>32,600</u>	<u>(12,704)</u>
	\$ <u>-</u>	\$ <u>37,988</u>	\$ <u>(-)</u>	\$ <u>37,988</u>

NOTE G - RENTAL EXPENSE

The rental expense for the administrative offices for the year ended June 30, 2006 totaled \$70,596, and are leased under an operating lease for a two year period beginning September 1, 2005, with the following rents:

First year annual rent	\$ 70,076
Second year annual rent	\$ 11,679

NOTE H - INTERFUND RECEIVABLES AND PAYABLES

Because the organization operates most of its programs under cost reimbursement type grants, it has to pay for costs using its General Fund money, and then request reimbursement for the advanced costs under the grant programs. Such advances create short-term interfund receivables and payables. A summary of these interfund receivables and payable at June 30, 2006 are as follows:

	<u>Due From</u> <u>Other Funds</u>	<u>Due To</u> <u>Other Funds</u>
General Fund	\$ <u>-</u>	\$ <u>288,977</u>
Special Revenue Fund		
Title III C-1 Congregate Meals Program	-	90,820
Helping Hands Program	56,142	-
NSIP Cash in Lieu of Commodities	311,496	-
Retired Senior Volunteer Program	-	34,452
Title III C-2 Home Delivered Meals Program	-	65,952
Title III B Supportive Services	46,204	-
Title III E Caregiver Program	46,881	-
Senior Center Program	<u>19,478</u>	<u>-</u>
Total Special Revenue fund	<u>480,201</u>	<u>191,224</u>
Total all funds	\$ <u>480,201</u>	\$ <u>480,201</u>

NEW ORLEANS COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

June 30, 2006

NOTE I - EMPLOYEE RETIREMENT PLAN

Effective July 1, 1990, the New Orleans Council on Aging, Inc. began providing retirement benefits to all of its employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate upon completion of one year of service and attainment of age 21. The formula for determining employer contributions is determined each Plan Year by a resolution of the Board of Directors. The Council's contribution for each employee is fully vested after five years of service. Voluntary employee contributions are permitted.

The Council's total payroll in the fiscal year ended June 30, 2006 was \$793,232. The Council's contributions were calculated by using the base salary amount of \$667,483. The Council made a 6% contribution on behalf of the Council's employees which totaled \$40,049.

NOTE J - INCOME TAXES

The corporation is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE K - BOARD OF DIRECTORS' COMPENSATION

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

NOTE L - FEDERALLY ASSISTED PROGRAMS

The Council participates in a number of federally assisted programs. These programs are audited in accordance with the 2003 Single Audit Act. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, the Council's management believes that further examinations would not result in any significant disallowed costs.

In accordance with the 2003 Single Audit Act, and the Office of Management and Budget Circular A-133, a schedule of federal awards is presented.

NOTE M - ECONOMIC DEPENDENCY

The Council received the majority of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the Council receives could be reduced significantly and have an adverse impact on its operations.

SUPPLEMENTAL INFORMATION

NEW ORLEANS COUNCIL ON AGING, INC.

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL

For the year ended June 30, 2006

	<u>ORIGINAL AND FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS GAAP BASIS</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
Revenues			
Intergovernmental:			
Governor's Office of Elderly Affairs	\$ 65,752	\$ 65,752	\$ -
City of New Orleans	156,000	70,000	(86,000)
Contributions	-	183,813	183,813
Interest income	<u>-</u>	<u>36,903</u>	<u>36,903</u>
Total revenues	<u>221,752</u>	<u>356,468</u>	<u>134,716</u>
Expenditures			
Current:			
Personnel	94,792	105,389	(10,597)
Fringe benefits	16,718	19,136	(2,418)
Travel	2,013	583	1,430
Operating services	35,510	43,764	(8,254)
Operating supplies	5,342	17,472	(12,130)
Other costs	<u>1,625</u>	<u>35,176</u>	<u>(33,551)</u>
Total expenditures	<u>156,000</u>	<u>221,520</u>	<u>(65,520)</u>
Excess (deficiency) of revenues over (under) expenditures	65,752	134,948	69,196
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	<u>(65,752)</u>	<u>(113,883)</u>	<u>(48,131)</u>
Total other financing sources and uses	<u>(65,752)</u>	<u>(113,883)</u>	<u>(48,131)</u>
Net changes in fund balances	-	21,065	21,065
Fund Balances			
Beginning of year	<u>161,817</u>	<u>161,817</u>	<u>-</u>
End of year	\$ <u>161,817</u>	\$ <u>182,882</u>	\$ <u>21,065</u>

NEW ORLEANS COUNCIL ON AGING, INC.

TITLE III (C1) - CONGREGATE MEALS PROGRAM FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL

For the year ended June 30, 2006

	<u>ORIGINAL AND FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS GAAP BASIS</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
Revenues			
Intergovernmental:			
Governor's Office of Elderly Affairs	\$ 607,769	\$ 344,857	\$ (262,912)
Participant contributions	-	-	-
Total revenues	<u>607,769</u>	<u>344,857</u>	<u>(262,912)</u>
Expenditures			
Current:			
Personnel	108,690	71,093	37,597
Fringe benefits	26,600	22,854	3,746
Travel	1,836	245	1,591
Operating services	42,296	35,296	7,000
Operating supplies	7,517	4,710	2,807
Other costs	986	-	986
Capital outlay	-	-	-
Food costs	<u>560,000</u>	<u>210,659</u>	<u>349,341</u>
Total expenditures	<u>747,925</u>	<u>344,857</u>	<u>403,068</u>
Excess (deficiency) of revenues over (under) expenditures	(140,156)	-	(140,156)
Other financing sources (uses)			
Transfers in	140,156	-	140,156
Transfers out	-	-	-
Total other financing sources and uses	<u>140,156</u>	<u>-</u>	<u>140,156</u>
Net changes in fund balances	-	-	-
Fund Balances			
Beginning of year	-	-	-
End of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

NEW ORLEANS COUNCIL ON AGING, INC.

TITLE III (C2) - HOME DELIVERED MEALS PROGRAM FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL

For the year ended June 30, 2006

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS GAAP BASIS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
Revenues			
Intergovernmental:			
Governor's Office of Elderly Affairs	\$ 332,758	\$ 332,758	\$ -
Participant contributions	-	8,192	8,192
Total revenues	<u>332,758</u>	<u>340,950</u>	<u>8,192</u>
Expenditures			
Current:			
Personnel	68,728	77,262	(8,534)
Fringe benefits	11,698	24,780	(13,082)
Travel	918	258	660
Operating services	44,844	43,932	912
Operating supplies	7,215	9,012	(1,797)
Other costs	493	-	493
Capital outlay	-	39,322	(39,322)
Food costs	<u>240,000</u>	<u>157,696</u>	<u>82,304</u>
Total expenditures	<u>373,896</u>	<u>352,262</u>	<u>21,634</u>
Excess (deficiency) of revenues over (under) expenditures	(41,138)	(11,312)	29,826
Other financing sources (uses)			
Transfers in	41,138	11,312	(29,826)
Transfers out	-	-	-
Total other financing sources and uses	<u>41,138</u>	<u>11,312</u>	<u>(29,826)</u>
Net changes in fund balances	-	-	-
Fund Balances			
Beginning of year	-	-	-
End of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

NEW ORLEANS COUNCIL ON AGING, INC.

TITLE III B - SUPPORTIVE SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL

For the year ended June 30, 2006

	<u>ORIGINAL AND FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS GAAP BASIS</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
Revenues			
Intergovernmental:			
Governor's Office of Elderly Affairs	\$ 473,221	\$ 473,221	\$ -
Participant contributions	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>473,221</u>	<u>473,221</u>	<u>-</u>
Expenditures			
Current:			
Personnel	130,120	135,269	(5,149)
Fringe benefits	30,054	29,044	1,010
Travel	2,875	1,562	1,313
Operating services	53,075	89,758	(36,683)
Operating supplies	1,855	5,671	(3,816)
Other costs	888	5,837	(4,949)
Capital outlay	-	-	-
Full service contracts	<u>322,278</u>	<u>306,260</u>	<u>16,018</u>
Total expenditures	<u>541,145</u>	<u>573,401</u>	<u>(32,256)</u>
Excess (deficiency) of revenues over (under) expenditures	(67,924)	(100,180)	(32,256)
Other financing sources (uses)			
Transfers in	67,924	100,180	32,256
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>67,924</u>	<u>100,180</u>	<u>32,256</u>
Net changes in fund balances	-	-	-
Fund Balances			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

NEW ORLEANS COUNCIL ON AGING, INC.

NISP CASH IN LIEU OF COMMODITIES FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL

For the year ended June 30, 2006

	<u>ORIGINAL AND FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS GAAP BASIS</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
Revenues			
Intergovernmental:			
Governor's Office of Elderly Affairs	\$ <u>181,294</u>	\$ <u>229,995</u>	\$ <u>48,701</u>
Total revenues	<u>181,294</u>	<u>229,995</u>	<u>48,701</u>
Excess (deficiency) of revenues over (under) expenditures	181,294	229,995	
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	(<u>181,294</u>)	(<u>11,312</u>)	<u>169,982</u>
Total other financing sources and uses	(<u>181,294</u>)	(<u>11,312</u>)	<u>169,982</u>
Net changes in fund balances	-	218,683	218,683
Fund Balances			
Beginning of year	<u>109,916</u>	<u>109,916</u>	<u>-</u>
End of year	\$ <u>109,916</u>	\$ <u>328,599</u>	\$ <u>218,683</u>

NEW ORLEANS COUNCIL ON AGING, INC.

SUPPLEMENTAL SENIOR CENTER FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL

For the year ended June 30, 2006

	<u>ORIGINAL AND FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS GAAP BASIS</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
Revenues			
Intergovernmental:			
Governor's Office of Elderly Affairs	\$ <u>568,530</u>	\$ <u>568,530</u>	\$ <u>-</u>
Total revenues	<u>568,530</u>	<u>568,530</u>	<u>-</u>
Expenditures			
Current:			
Full service contracts	<u>507,086</u>	<u>531,986</u>	<u>(24,900)</u>
Total expenditures	<u>507,086</u>	<u>531,986</u>	<u>(24,900)</u>
Excess (deficiency) of revenues over (under) expenditures	61,444	36,544	(24,900)
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	<u>(61,444)</u>	<u>(8,254)</u>	<u>53,190</u>
Total other financing sources and uses	<u>(61,444)</u>	<u>(8,254)</u>	<u>53,190</u>
Net changes in fund balances	-	28,290	28,290
Fund Balances			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	\$ <u><u>-</u></u>	\$ <u><u>28,290</u></u>	\$ <u><u>28,290</u></u>

NEW ORLEANS COUNCIL ON AGING, INC.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

For the year ended June 30, 2006

	TITLE III (CI) ADMINISTRATION	AUDIT FUND	ADMINISTRATIVE SEED FUNDS	MEALS ON WHEELS	SPECIAL PROJECT	PONTCHARTRAIN SENIOR CENTER
Revenues						
Intergovernmental						
Governor's Office of Elderly Affairs	\$ 146,421	\$ 21,263	\$ -	\$ -	\$ -	\$ -
City of New Orleans	-	-	-	-	-	-
Corporation for National Services	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
	<u>146,421</u>	<u>21,263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures						
Salaries	102,281	-	-	-	-	-
Fringe benefits	14,667	-	-	-	-	-
Travel	432	-	-	-	-	-
Operating services	27,779	-	-	-	-	3,441
Operating supplies	2,920	-	-	-	-	39
Other costs	200	21,263	-	-	-	125
Food costs (Note-see page 42)	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility assistance	-	-	-	-	-	-
	<u>148,279</u>	<u>21,263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,605</u>

Grants to subrecipients:

The Medical Team	-	-	-	-	-	-
Central City Economic Opportunity Corporation dba Central City Senior Center	-	-	-	-	-	-
E.J.Morris, Inc. dba E.J.Morris Senior Center	-	-	-	-	-	-
Kingsly House, Inc. dba Kingsley House Adult Service Senior Center	-	-	-	-	-	-
Lakeview Shepherd Adult Ministry, Inc. dba Lakview Shepherd Senior Center	-	-	-	-	-	-
Lower Algiers, Inc. dba Lower Algiers Senior Center	-	-	-	-	-	-
Philmat, Inc. dba Our Lady of Lourdes Senior Center	-	-	-	-	-	-
Uptown Area Senior Adult Ministry, Inc. dba Uptown Shepherd Senior Center	-	-	-	-	-	-
12 th Ward Save Our Community Organization dba Milan-Broadmoor Senior Center	-	-	-	-	-	-
Realization, Inc. dba Reality House Senior Center	-	-	-	-	-	-
Jefferson Council on Aging, Inc.	-	-	-	-	-	-
Mercy Endeavor	-	-	-	-	-	-

NEW ORLEANS COUNCIL ON AGING, INC.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS - Continued

For the year ended June 30, 2006

	TITLE III (CI) ADMINISTRATION	AUDIT FUND	ADMINISTRATIVE SEED FUNDS	MEALS ON WHEELS	SPECIAL PROJECT	PONTCHARTRAIN SENIOR CENTER
Total Grants to Subrecipients	<u>148,279</u>	<u>21,263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,605</u>
Total expenditures	(1,858)	-	-	-	-	(3,605)
Excess (deficiency) of revenues over expenditures	1,858	-	-	-	-	3,605
Other financing sources (uses)	-	-	-	-	-	-
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-	-
Fund balance at July 1, 2005	-	-	1,000	13,587	283	-
Fund balance at June 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 13,587</u>	<u>\$ 283</u>	<u>\$ -</u>

NEW ORLEANS COUNCIL ON AGING, INC.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS - Continued

For the year ended June 30, 2006

	RETIRED SENIOR VOLUNTEER PROGRAM	TITLE III E CAREGIVER PROGRAM	TITLE III D PREVENTIVE HEALTH	SENIOR RX PROGRAM	SENIOR CENTER PROGRAM	SENIOR COMPANION PROGRAM
Revenues						
Intergovernmental						
Governor's Office of Elderly Affairs	\$ 19,263	\$ 182,676	\$ 23,298	\$ 107,605	\$ 198,036	\$ 13,662
City of New Orleans	-	-	-	-	-	-
Corporation for National Services	79,938	-	-	-	-	179,657
Contributions	925	-	-	1,825	-	728
Interest income	<u>1,588</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>101,714</u>	<u>182,676</u>	<u>23,298</u>	<u>109,430</u>	<u>198,036</u>	<u>194,047</u>
Expenditures						
Salaries	80,562	33,194	5,413	70,464	29,895	178,775
Fringe benefits	10,570	5,822	2,291	8,188	6,485	10,358
Travel	83	772	28	514	466	6,755
Operating services	3,365	9,001	6,088	28,450	19,897	2,936
Operating supplies	11,950	11,202	4,324	1,814	975	10,242
Other costs	14,882	1,500	20,454	-	596	3,435
Food costs	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility assistance	-	-	-	-	-	-
	<u>121,412</u>	<u>61,491</u>	<u>38,598</u>	<u>109,430</u>	<u>58,317</u>	<u>212,501</u>
Grants to subrecipients:						
The Medical Team	-	32,208	-	-	-	-
Central City Economic Opportunity Corporation dba Central City Senior Center	-	-	-	-	35,131	-
E.J.Morris, Inc. dba E.J.Morris Senior Center	-	-	-	-	4,127	-
Kingsly House, Inc. dba Kingsley House Adult Service Senior Center	-	42,096	-	-	16,200	-
Lakeview Shepherd Adult Ministry, Inc. dba Lakeview Shepherd Senior Center	-	-	-	-	1,012	-
Lower Algiers, Inc. dba Lower Algiers Senior Center	-	-	-	-	25,645	-
Philmat, Inc. dba Our Lady of Lourdes Senior Center	-	-	-	-	2,777	-
Uptown Area Senior Adult Ministry, Inc. dba Uptown Shepherd Senior Center	-	-	-	-	16,199	-
Realization, Inc. dba Reality House Senior Center	-	-	-	-	7,395	-
Jefferson Council on Aging, Inc. Mercy Endeavors	-	-	-	-	-	5,459

NEW ORLEANS COUNCIL ON AGING, INC.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS - Continued

For the year ended June 30, 2006

	RETIRED SENIOR VOLUNTEER PROGRAM	TITLE III E CAREGIVER PROGRAM	TITLE III D PREVENTIVE HEALTH	SENIOR Rx PROGRAM	SENIOR CENTER PROGRAM	SENIOR COMPANION PROGRAM
Total Grants to Subrecipients	-	74,304	-	-	113,945	-
Total expenditures	<u>121,412</u>	<u>135,795</u>	<u>38,598</u>	<u>109,430</u>	<u>172,259</u>	<u>212,501</u>
Excess (deficiency) of revenues over expenditures	(19,698)	46,881	(15,300)	-	25,777	(18,454)
Other financing sources (uses)						
Operating transfers in	18,500	-	15,300	-	58,314	-
Operating transfers out	-	-	-	-	(75,075)	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,198)	46,881	-	-	9,016	(18,454)
Fund balance at July 1, 2005	<u>9,714</u>	-	-	-	-	<u>19,390</u>
Fund balance at June 30, 2006	\$ <u>8,516</u>	\$ <u>46,881</u>	\$ -	\$ -	\$ <u>9,016</u>	\$ <u>936</u>

NEW ORLEANS COUNCIL ON AGING, INC.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS - Continued

For the year ended June 30, 2006

	KATRINA DISASTER ASSISTANCE	COMMUNITY DEVELOPMENT BLOCK GRANT	ABC SENIOR Rx	NYA SENIOR Rx	HELPING HANDS PROGRAM	TOTAL
Revenues						
Intergovernmental						
Governor's Office of Elderly Affairs	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 732,224
City of New Orleans	-	4,167	-	-	-	4,167
Corporation for National and Community Services	-	-	-	-	-	259,595
Contributions	-	-	25,000	7,565	136,881	172,924
Interest income	-	-	-	-	1,076	2,664
	<u>20,000</u>	<u>4,167</u>	<u>25,000</u>	<u>7,565</u>	<u>137,957</u>	<u>1,171,574</u>
Expenditures						
Salaries	-	-	-	-	12,766	513,350
Fringe benefits	-	-	-	-	2,233	60,614
Travel	-	-	56	-	-	9,106
Operating services	7,050	-	-	-	634	108,641
Operating supplies	-	-	-	-	-	43,466
Other costs	9,499	-	21,483	7,565	-	101,002
Food costs (Note-see page 46)	-	-	-	-	-	4,167
Capital outlay	2,906	4,167	1,461	-	-	4,367
Utility assistance	-	-	-	-	122,322	172,322
	<u>19,455</u>	<u>4,167</u>	<u>23,000</u>	<u>7,565</u>	<u>137,955</u>	<u>967,035</u>
Grants to subrecipients:						
The Medical Team	-	-	-	-	-	32,208
Central City Economic Opportunity Corporation dba Central City Senior Center	-	-	-	-	-	35,131
E.J.Morris, Inc. dba E.J.Morris Senior Center	-	-	-	-	-	4,127
Kingsly House, Inc. dba Kingsley House Adult Service Senior Center	-	-	-	-	-	58,296
Lakeview Shepherd Adult Ministry, Inc. dba Lakeview Shepherd Senior Center	-	-	-	-	-	1,012
Lower Algiers, Inc. dba Lower Algiers Senior Center	-	-	-	-	-	25,645
Philmat, Inc. dba Our Lady of Lourdes Senior Center	-	-	-	-	-	2,777
Uptown Area Senior Adult Ministry, Inc. dba Uptown Shepherd Senior Center	-	-	-	-	-	16,199
Realization, Inc. dba Reality House Senior Center	-	-	-	-	-	7,395
Jefferson Council on Aging, Inc.	-	-	2,000	-	-	2,000
Mercy Endeavors	-	-	-	-	-	5,459

NEW ORLEANS COUNCIL ON AGING, INC.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS - Continued

For the year ended June 30, 2006

	KATRINA DISASTER ASSISTANCE	COMMUNITY DEVELOPMENT BLOCK GRANT	ABC SENIOR Rx	NYA SENIOR Rx	HELPING HANDS PROGRAM	TOTAL
Total Grants to Subrecipients	19,455	4,167	2,000	-	-	190,249
Total expenditures	-	4,167	25,000	7,565	137,955	1,157,284
Excess (deficiency) of revenues over expenditures	545	-	-	-	2	14,290
Other financing sources (uses)	(545)	-	-	-	(-)	97,577
Operating transfers in	-	-	-	-	-	(75,620)
Operating transfers out	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	2	36,247
Fund balance at July 1, 2005	-	-	-	-	56,140	100,114
Fund balance at June 30, 2006	\$ -	\$ -	\$ -	\$ -	\$ 56,142	\$ 136,361

Note: Food costs consist of the following:

Raw food	\$ 2,167
Other	2,000
	<u>\$ 4,167</u>

NEW ORLEANS COUNCIL ON AGING, INC.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

For the year ended June 30, 2006

	GENERAL FUND	TITLE III (C1) CONGREGATE MEALS PROGRAM	TITLE III (C2) HOME DELIVERED MEALS PROGRAM	TITLE III B SUPPORTIVE SERVICES	NSIP CASH IN LIEU OF COMMODITIES
Revenues					
Intergovernmental					
Governor's Office of Elderly Affairs	\$ 65,752	\$ 344,857	\$ 332,758	\$ 473,221	\$ 229,995
City of New Orleans	70,000	-	-	-	-
Participant contributions	-	-	8,192	-	-
Contributions	183,813	-	-	-	-
Interest income	36,903	-	-	-	-
	<u>356,468</u>	<u>344,857</u>	<u>340,950</u>	<u>473,221</u>	<u>229,995</u>
Expenditures					
Salaries	105,389	71,093	77,262	135,269	-
Fringe benefits	19,136	22,854	24,780	29,044	-
Travel	583	245	258	1,562	-
Operating services	43,764	35,296	43,932	89,758	-
Operating supplies	17,472	4,710	9,012	5,671	-
Other costs	35,176	-	-	5,837	-
Capital outlay	-	-	39,322	-	-
Food costs (Note-see page 48)	-	210,659	157,696	-	-
	<u>221,520</u>	<u>344,857</u>	<u>352,262</u>	<u>267,141</u>	<u>-</u>

Grants to subrecipients:

City of New Orleans	44,100
Advocacy Center, Inc.	29,050
The Medical Team	4,976
Volunteers of America	1,467
Regional Transit Authority	200,000
Catholic Charities Archdiocese dba Audubon Senior Center	-
Central City Exonomic Opportunity Corporation dba Central City Senior Center	-
E.J.Morris, Inc. dba E.J.Morris Senior Center	-
Desire Community Housing Corporation dba Gordon Plaza Senior Center/Katheine Florent Senior center	-
Kingsley House, Inc. dba Kingsley House Adult Service Senior Center	-
Lakeview Shepherd Adult Ministry, Inc. dba Lakview Shepherd Senior Center	-
Twelfth Ward Save Our Community Organization dba Martin Luther King Homemaker Program	26,667
Mercy Endeavors	-

NEW ORLEANS COUNCIL ON AGING, INC.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS - Continued

For the year ended June 30, 2006

	GENERAL FUND	TITLE III (C1) CONGREGATE MEALS PROGRAM	TITLE III (C2) HOME DELIVERED MEALS PROGRAM	TITLE III B SUPPORTIVE SERVICES	NSIP CASH IN LIEU OF COMMODITIES
Lower Algiers, Inc. dba	-	-	-	-	-
Lower Algiers Senior Center	-	-	-	-	-
Philmat, Inc. dba	-	-	-	-	-
Our Lady of Lourdes Senior Center	-	-	-	-	-
Uptown Area Senior Adult Ministry, Inc. dba	-	-	-	-	-
Uptown Shepherd Senior Center	-	-	-	-	-
12 th Ward Save Our Community Organization dba	-	-	-	-	-
Milan-Broadmoor Senior Center	-	-	-	-	-
Realization, Inc. dba	-	-	-	-	-
Reality House Senior Center	-	-	-	-	-
Treme Community Education Program, Inc. dba	-	-	-	-	-
Treme-Harmony House Senior Center	-	-	-	-	-
Seventh Ward/Piolet-Land Senior Center, Inc. dba	-	-	-	-	-
Seventh Ward/Piolet-Land Senior Center	-	-	-	-	-
Total Grants to Subrecipients	-	-	-	-	-
Total expenditures	<u>221,520</u>	<u>344,857</u>	<u>352,262</u>	<u>306,260</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	134,948	-	(11,312)	(100,180)	229,995
Other financing sources (uses)	-	-	-	-	-
Operating transfers in	(113,883)	-	11,312	100,180	-
Operating transfers out	-	-	-	-	(11,312)
Excess (deficiency) of revenues and other sources over expenditures and other uses	21,065	-	-	-	218,683
Fund balance at July 1, 2005	<u>161,817</u>	-	-	-	<u>109,916</u>
Fund balance at June 30, 2006	<u>\$ 182,882</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 328,599</u>

Notes: Food costs consist of the following:

Raw food	\$ 109,543
Other	<u>101,116</u>
	<u>\$ 210,659</u>

NEW ORLEANS COUNCIL ON AGING, INC.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS - Continued

For the year ended June 30, 2006

	SUPPLEMENTAL SENIOR CENTER	SUPPLEMENTAL SENIOR CENTER NOCOA LINE - ITEM	TOTAL
Revenues			
Intergovernmental			
Governor's Office of Elderly Affairs	\$ 392,372	\$ 176,158	\$ 2,015,113
City of New Orleans	-	-	70,000
Participant contributions	-	-	8,192
Contributions	-	-	183,813
Interest income	-	-	36,903
	<u>392,372</u>	<u>176,158</u>	<u>2,314,021</u>
Expenditures			
Salaries	-	-	389,013
Fringe benefits	-	-	95,814
Travel	-	-	2,648
Operating services	-	-	212,750
Operating supplies	-	-	36,865
Other costs	-	-	41,013
Capital outlay	-	-	39,322
Food costs	-	-	368,355
	-	-	<u>1,185,780</u>
Grants to subrecipients:			
City of New Orleans	-	-	44,100
Advocacy center, Inc.	-	-	29,050
The Medical Team	-	-	4,976
Volunteers of America	-	-	1,467
Regional Transit Authority	-	-	200,000
Catholic Charities Archdiocese dba Audubon Senior Center	4,250	-	4,250
Central City Economic Opportunity Corporation dba Central City Senior Center	42,164	48,748	90,912
E.J.Morris, Inc. dba E.J.Morris Senior Center	10,625	4,023	14,648
Kingsley House, Inc. dba Kingsley House Adult Service Senior Center	35,996	25,260	61,256
Lakeview Shepherd Adult Ministry, Inc. dba Lakview Shepherd Senior Center	5,271	1,256	6,527
Twelfth Ward Save Our community Organization dba Martin Luther King Homemaker Program	-	-	26,667
Mercy Endeavors	35,996	11,941	47,937

NEW ORLEANS COUNCIL ON AGING, INC.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS - Continued

For the year ended June 30, 2006

	<u>SUPPLEMENTAL SENIOR CENTER</u>	<u>SUPPLEMENTAL SENIOR CENTER</u>	<u>NOCOA</u>	<u>LINE - ITEM</u>	<u>TOTAL</u>
Lower Algiers, Inc. dba	54,499		36,971		91,470
Lower Algiers Senior Center					
Philmat, Inc. dba	3,400		3,442		6,842
Our Lady of Lourdes Senior Center					
Uptown Area Senior Adult Ministry, Inc. dba	55,732		25,258		80,990
Uptown Shepherd Senior Center					
12 th Ward Save Our Community Organization dba	40,514		-		40,514
Milan-Broadmoor Senior Center					
Realization, Inc. dba	-		9,173		9,173
Reality House Senior Center					
Treme Community Education Program, Inc. dba	46,257		-		46,257
Treme-Harmony House Senior Center	<u>31,210</u>		<u>166,072</u>		<u>31,210</u>
Gentilly Senior Center	<u>365,914</u>		<u>166,072</u>		<u>838,246</u>
Total Grants to Subrecipients	<u>365,914</u>		<u>166,072</u>		<u>2,024,026</u>
Total expenditures					
Excess (deficiency) of revenues over expenditures	26,458		10,086		289,995
Other financing sources (uses)					
Operating transfers in	-		-		111,492
Operating transfers out	<u>(8,254)</u>		<u>(-)</u>		<u>(133,449)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	18,204		10,086		268,038
Fund balance at July 1, 2005	-		-		<u>271,733</u>
Fund balance at June 30, 2006	<u>\$ 18,204</u>		<u>\$ 10,086</u>		<u>\$ 539,771</u>

NEW ORLEANS COUNCIL ON AGING, INC.

STATEMENT OF EXPENDITURES
FOR TITLE III B - SUPPORTIVE SERVICES

Year ended June 30, 2006

	<u>Homemaker</u>	<u>Information And Assistance</u>	<u>Legal Assistance</u>	<u>Outreach</u>	<u>Transportation</u>
<u>New Orleans Council on Aging, Inc.</u>					
Salaries	\$ 93,137	\$ 20,449	\$ -	\$ 21,683	\$ -
Fringe benefits	18,148	4,145	-	6,751	-
Travel	958	322	-	282	-
Operating services	24,498	8,732	-	14,868	-
Operating supplies	3,875	500	-	1,296	-
Other costs	5,837	-	-	-	-
Grants to subrecipients	<u>26,667</u>	<u>-</u>	<u>29,050</u>	<u>-</u>	<u>200,000</u>
Total expenditures	<u>\$ 173,120</u>	<u>\$ 34,148</u>	<u>\$ 29,050</u>	<u>\$ 44,880</u>	<u>\$ 200,000</u>

NEW ORLEANS COUNCIL ON AGING, INC.

STATEMENT OF EXPENDITURES
FOR TITLE III B - SUPPORTIVE SERVICES - CONTINUED

Year ended June 30, 2006

	<u>Personal Care</u>	<u>Other Priority Services</u>	<u>Other Non-Priority Services</u>	<u>Total</u>
<u>New Orleans Council on Aging, Inc.</u>				
Salaries	\$ -	\$ -	\$ -	\$ 135,269
Fringe benefits	-	-	-	29,044
Travel	-	-	-	1,562
Operating services	-	41,660	-	89,758
Operating supplies	-	-	-	5,671
Other costs	-	-	-	5,837
Grants to subrecipients	<u>4,976</u>	<u>1,467</u>	<u>44,100</u>	<u>306,260</u>
Total expenditures	<u>\$ 4,976</u>	<u>\$ 43,127</u>	<u>\$ 44,100</u>	<u>\$ 573,401</u>

NEW ORLEANS COUNCIL ON AGING, INC.

STATEMENT OF EXPENDITURES
FOR TITLE III E - CAREGIVER PROGRAM

Year ended June 30, 2006

	Public <u>Education</u>	Information and <u>Assistance</u>	Individual <u>Counseling</u>	Support <u>Groups</u>	Material <u>Aid</u>
Salaries	\$ 15,135	\$ 3,047	\$ 10,775	\$ 2,191	\$ 2,046
Fringe benefits	3,220	507	775	454	866
Travel	258	243	10	250	11
Operating services	4,114	1,096	1,308	1,020	1,463
Operating supplies	688	70	184	55	10,205
Other costs	1,500	-	-	-	-
Grants to subrecipients	-	-	-	-	-
	<u>\$ 24,915</u>	<u>\$ 4,963</u>	<u>\$ 13,052</u>	<u>\$ 3,970</u>	<u>\$ 14,591</u>

NEW ORLEANS COUNCIL ON AGING, INC.

STATEMENT OF EXPENDITURES
FOR TITLE III E - CAREGIVER PROGRAM - Continued

For the year ended June 30, 2006

	Adult Day Care	In-Home Respite	Personal Care	Total
Salaries	\$ -	\$ -	\$ -	\$ 33,194
Fringe benefits	-	-	-	5,822
Travel	-	-	-	772
Operating services	-	-	-	9,001
Operating supplies	-	-	-	11,202
Other costs	-	-	-	1,500
Grants to subrecipients	<u>42,096</u>	<u>15,694</u>	<u>16,514</u>	<u>74,304</u>
	\$ <u>42,096</u>	\$ <u>15,694</u>	\$ <u>16,514</u>	\$ <u>135,795</u>

NEW ORLEANS COUNCIL ON AGING, INC.

STATEMENT OF GENERAL FIXED ASSETS AND CHANGES IN
GENERAL FIXED ASSETS

For the year ended June 30, 2006

	<u>Balance</u> <u>June 30, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2006</u>
General fixed assets, at cost:				
Transportation equipment	\$ 44,770	\$ 39,322	\$ (32,600)	\$ 51,492
Furniture and office equipment	<u>18,648</u>	<u>4,367</u>	<u>-</u>	<u>23,015</u>
Total general fixed assets	<u>\$ 63,418</u>	<u>\$ 43,689</u>	<u>\$ (32,600)</u>	<u>\$ 74,507</u>
Investment in general fixed assets:				
Property acquired with the following funds:				
Title III C-1	\$ 24,168	\$ -	\$ -	\$ 24,168
Title III C-2	-	39,322	-	39,322
Title III E	3,200	-	-	3,200
General Fund	32,600	2,906	(32,600)	2,906
Other Funds	<u>3,450</u>	<u>1,461</u>	<u>-</u>	<u>4,911</u>
	<u>\$ 63,418</u>	<u>\$ 43,689</u>	<u>\$ (32,600)</u>	<u>\$ 74,507</u>

NEW ORLEANS COUNCIL ON AGING, I NC.

SCHEDULE OF OPERATING TRANSFERS IN AND (OUT)

For the year ended June 30, 2006

	FEMA HURRICANE KATRINA	SUPPLEMENTAL SENIOR CENTER	RETIRED SENIOR VOLUNTEER PROGRAM	GENERAL	NSIP	ACT 735- PCOA	PONTCHARTRAIN SENIOR CENTER	SENIOR CENTER PROGRAM	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Title III D Preventive Health	545	8,254	-	29,630	-	48,594	-	13,157	100,180
Title III B Supportive Services	-	-	-	-	11,312	-	-	-	11,312
Title III (C2) Home Delivered Meals Program	-	-	-	-	-	1,858	-	-	1,858
Title III (C1) Administration	-	-	-	-	-	-	(3,605)	(13,157)	(16,762)
Senior Center Program	(545)	-	-	-	-	-	-	-	(545)
Fema - Hurricane Katrina	-	-	-	-	-	-	-	-	-
Pontchartrain Senior Center	-	-	-	-	-	-	3,605	-	3,605
Retired Senior Volunteer Program	-	-	18,500	-	-	-	-	-	18,500
Supplemental Senior Center	-	(8,254)	-	-	(11,312)	-	-	-	(8,254)
NSIP	-	-	-	-	-	-	-	-	(11,312)
Act 735 - PCOA	-	-	-	-	-	(65,752)	-	-	(65,752)
General Fund	-	-	(18,500)	(29,630)	-	-	-	-	(48,130)
	\$	\$	\$	\$	\$	\$	\$	\$	\$

NEW ORLEANS COUNCIL ON AGING, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2006

<u>Federal Grantor/Pass Through Grantors/Program Title</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT YEAR ENDED</u>	<u>PROGRAM OR AWARD AMOUNTS</u>	<u>REVENUE RECOGNIZED</u>	<u>FEDERAL EXPENDITURES</u>	<u>PASS-THROUGH FUNDS</u>
<u>U. S. Department of Health and Human Services</u> Passed through the Louisiana Governor's Office of Elderly Affairs: Special Programs for the Aging Title III C1 - Area Agency Administrative	93.045	6/30/06	\$ 109,816	\$ 109,816	\$ 109,816	\$ -
Title III B - Supportive Services	93.044	6/30/06	318,801	318,801	318,801	306,260
Title III C1 - Congregate Meals	93.045	6/30/06	301,842	172,429	172,429	-
Title III C2 - Home Delivered Meals	93.045	6/30/06	207,481	207,481	207,481	-
Title III D - Preventive Health	93.043	6/30/06	23,298	23,298	23,298	-
Title III E - Caregiver	93.052	6/30/06	182,676	187,007	101,846	55,728
NSIP - Cash in Lieu of Commodities	93.053	6/30/06	268,400	229,995	11,312	-
Title IV - Disaster Grant	93.048	12/31/05	20,000	20,000	20,000	-
Total U. S. Department of Health and Human Services				\$ 964,983	\$ 964,983	\$ 361,988

NEW ORLEANS COUNCIL ON AGING, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued

For the year ended June 30, 2006

<u>Federal Grantor/Pass Through Grantors/Program Title</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT YEAR ENDED</u>	<u>PROGRAM OR AWARD AMOUNTS</u>	<u>REVENUE RECOGNIZED</u>	<u>FEDERAL EXPENDITURES</u>	<u>PASS-THROUGH FUNDS</u>
<u>Department of Housing and Urban Development</u> Passed through the City of New Orleans CDGB - Entitlement Grant	14.218	8/31/05	\$ 50,000	\$ 4,167	\$ 4,167	\$ -
Total U. S. Department of Housing and Urban Development					<u>4,167</u>	-
<u>Corporation for National Services</u>						
Retired Senior Volunteer Program	94.002	9/29/05	94,438	51,438	51,438	-
Retired Senior Volunteer Program	94.002	9/29/06	95,222	28,500	28,500	-
Senior Companion Program	94.016	3/31/06	262,596	146,757	146,757	-
Senior Companion Program	94.016	3/31/07	266,692	51,901	<u>51,901</u>	-
Total Corporation for National Services					<u>278,596</u>	-
Total Federal Awards					\$ 1,247,746	\$ 361,988

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - BASIS PRESENTATION

The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting. Federal direct programs are identified by Federal Agency. Federal pass-through funds are presented by the entity through which the organization received the Federal financial assistance. The information in the schedule is presented in accordance with the requirement of OMB Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations.

NOTE B - NON-FEDERAL CONTRIBUTIONS

The non-federal contributions consist of the following:

RSVP program	\$ 41,474
SCP program	<u>83,843</u>
	<u>\$ 125,317</u>

CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA
STEVEN A. SCHMIDT, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS

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*

The Board of Directors
New Orleans Council on Aging, Inc.

We have audited the government-wide and fund financial statements of the New Orleans Council on Aging, Inc. as of and for the year ended June 30, 2006, and have issued our report thereon dated February 23, 2006. 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 New Orleans 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 an opinion on the internal control over financial reporting. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect New Orleans Council on Aging, Inc.'s ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 2006-1.

A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

Compliance

As part of obtaining reasonable assurance about whether the New Orleans Council on Aging, Inc.'s general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have 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 instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as item 2006-2.

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

Cassio + Schmitt, L.L.C.

Metairie, Louisiana
November 17, 2006

CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA
STEVEN A. SCHMIDT, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS

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

The Board of Directors
New Orleans Council on Aging, Inc.

Compliance

We have audited the compliance of New Orleans 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, 2006. New Orleans 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 New Orleans Council on Aging, Inc.'s management. Our responsibility is to express an opinion on the New Orleans 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 New Orleans 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 New Orleans Council on Aging's Inc.'s compliance with those requirements.

In our opinion, New Orleans 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, 2006.

Internal Control Over Compliance

The management of New Orleans Council on Aging, Inc. 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 New Orleans Council on Aging, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect New Orleans Council on Aging, Inc.'s ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 2006-1.

A material weakness is a reportable 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 caused by error or fraud 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. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

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

Carris + Schmidt, LLC

Metairie, Louisiana
November 17, 2006

NEW ORLEANS COUNCIL ON AGING, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2006

A. SUMMARY OF THE AUDITOR'S REPORT

1. The auditor's report expresses an unqualified opinion on the financial statements.
2. A reportable condition in internal control was disclosed during the audit of the financial statements.
3. The audit disclosed one instance of noncompliance that was material to the financial statements of the auditee.
4. A reportable condition was disclosed during the audit of internal control over major federal award programs.
5. The auditor's report on compliance for the major award programs expresses an unqualified opinion on all major federal programs.
6. The audit disclosed one finding which was required to be reported under Section 510(a) of Circular A-133.
7. Major programs for the fiscal year ended June 30, 2006 were:
 - Title III C-1 - Area Aging Administrative - CFDA #93.045
 - Title III B-Supportive Services - CFDA #93.044
 - Title III C2-Home Delivered Meals - CFDA #93.045
 - Title III C1-Congregate Meals - CFDA #93.045
8. The dollar threshold to distinguish between Type A and Type B programs was \$300,000.
9. The auditee did not qualify as a low-risk auditee.

NEW ORLEANS COUNCIL ON AGING, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued

Year ended June 30, 2006

B SCHEDULE OF FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Internal Control Over Financial Reporting

New Orleans Council on Aging, Inc. - All Programs

2006-1. Segregation of Duties

Statement of Condition: There is a lack of segregation of duties in recording financial transactions. The Comptroller performs the following functions: Records the general ledger, records the deposits, prepares and deposits the receipts in the bank, and reconciles the bank accounts.

Criteria: Segregation of duties help to prevent a person from controlling critical financial transactions. Having different persons perform various financial functions would help safeguard the assets of the entity.

Effect of Condition: Safeguarding of assets could be compromised without a proper segregation of duties.

Questioned Costs: Not applicable.

Recommendation: We recommend that the functions mentioned above be reassigned so that one person does not perform all critical financial activities.

Response: See Corrective Action Plan.

NEW ORLEANS COUNCIL ON AGING, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued

Year ended June 30, 2006

B SCHEDULE OF FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Compliance

New Orleans Council on Aging, Inc.

2006-2. Budgeting

Statement of Condition: The Governor's Office of Elderly Affairs requires that each line item expenditure be within 10% of the approved program budget.

Criteria: Each line item expenditure should not exceed the approved budgeted amounts by more than 10%.

Effect of Condition: Lack of compliance with the requirements of the Governor's Office of Elderly Affairs.

Questioned Costs: Not applicable.

Recommendation: We recommend that the financial statements be monitored to prevent expenditures from exceeding budgeted amounts by more than 10%.

Response: See Corrective Action Plan.

C. SCHEDULE OF FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Internal Control Over Financial Reporting

New Orleans Council on Aging, Inc. - All Programs

2006-1. Segregation of Duties

Statement of Condition: There is a lack of segregation of duties in recording financial transactions. The Comptroller performs the following functions: Records the general ledger, records the deposits, prepares and deposits the receipts in the bank, and reconciles the bank accounts.

Criteria: Segregation of duties help to prevent a person from controlling critical financial transactions. Having different persons perform various financial functions would help safeguard the assets of the entity.

Effect of Condition: Safeguarding of assets could be compromised without a proper segregation of duties.

Questioned Costs: Not applicable.

NEW ORLEANS COUNCIL ON AGING, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued

Year ended June 30, 2006

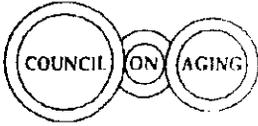
2006-1. Segregation of Duties - Continued

Recommendation: We recommend that the functions mentioned above be reassigned so that one person does not perform all critical financial activities.

Response: See Corrective Action Plan.

D. STATUS OF PRIOR YEAR AUDIT FINDINGS

<u>Compliance</u>		<u>Resolved</u>	<u>Unresolved</u>	<u>Current Finding Number</u>
2005-1	Budgeting		X	2006-2



**NEW ORLEANS COUNCIL ON AGING
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President

HOWARD L. RODGERS, III
Executive Director

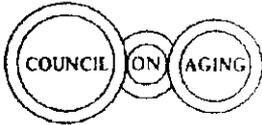
**Exit Audit Review Meeting
December 19, 2006**

Members Present

Dr. Joseph Sabatier, Jr
Robert Bermudez
Vernon Martin, III
F.J. Cascio, CPA
Howard Rodgers, III
Sabrina Derbigny
Barbara L. Keller

Title

Board Member
Board Member
Board Member
Auditor
Executive Director
Comptroller
Board Member



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Executive Director

Corrective Action Plan
New Orleans Council on Aging
Audit FYE 6/30/06

Compliance

New Orleans Council on Aging

2006-1. Internal Control Over Financial Reporting

Due to the devastation caused by Hurricane Katrina the New Orleans Council on Aging (like so many other businesses) was forced to reduce its staff by 90%. Therefore, as a result of this action, 92% of the fiscal year was operating with only one (1) person in the accounting department. Presently, sixteen months after this disaster, the New Orleans Council on Aging has hired another person to assist with accounting duties and procedures.

2006-2 Budgeting

Like the response to the above finding, Hurricane Katrina occurred in the second month of the New Orleans Council on Aging's fiscal year. This occurrence interrupted its routine operations. This resulted in the inability to provide the necessary services to the elderly which we had in the past. Now with more residents and seniors returning to the city we can return to our normalcy.