
EAST FELICIANA COUNCIL ON AGING, INC.
(A Component Unit of the East Feliciana Police Jury)
Clinton, Louisiana

Annual Financial Report

As of and for the Year Ended
June 30, 2012

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 SEP 19 2012

DONALD C. De VILLE
Certified Public Accountant
7829 Bluebonnet Boulevard
Baton Rouge, Louisiana 70810

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Clinton, Louisiana**

June 30, 2012

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INDEPENDENT AUDITOR'S REPORT

August 10, 2012

Board of Directors
East Feliciana Council on Aging, Inc
Clinton, Louisiana

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of East Feliciana Council on Aging, Inc , Clinton, Louisiana, (the Council) (a component unit of East Feliciana Parish Police Jury) as of and for the year ended June 30, 2012, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council's management. My responsibility is to express an opinion of these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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. I believe that my audit provided a reasonable basis for my opinion.

In my opinion, the financial statement referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Council as of June 30, 2012, and the respective changes in financial position 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*, I have also issued my report dated August 10, 2012, on my consideration of the Council's internal control over financial reporting and on my 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 my 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 my audit

Accounting principles generally accepted in the United States of America require the management's discussion and analysis (page 6) and budgetary comparison information (pages 46 through page 49) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist of inquires of management about methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements as a whole. The accompanying Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds and the Comparative Schedule of Capital Assets and Changes in Capital Assets are presented for purposes of additional analysis as required by the Governor's Office of Elderly Affairs (GOEA) and are not a required part of the basic financial statements. The Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds and the Comparative Schedule of Capital Assets and Changes in Capital Assets are the responsibility of management and were derived from the related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



MANAGEMENTS DISCUSSION AND ANALYSIS

East Feliciana Council on Aging Fiscal Year Ended June 30, 2012

The "Management's Discussion and Analysis" of the East Feliciana Council On Aging, Inc.'s (the Council) financial performance presents a narrative overview and analysis of the Council's financial activities for the year ended June 30, 2012. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this report in conjunction with basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS (see statements on 8 and 9)

The Council's assets exceeded its liabilities at the close of fiscal year 2012 by **\$93,779** (net assets), which represents **33%** decrease from last year.

Cash was **\$37,800** at June 30, 2012, compared to **\$88,259** at June 30, 2011. This is an decrease of **\$50,459** due to decrease in funding from the Governor's Office of Elderly Affairs and contributions.

The Council's revenue decreased **\$46,918** or **13%** primarily due to a decrease in funding from the Governor's Office of Elderly Affairs and contributions

The Council's expenses increased by **\$17,580** or **5%** due an increase in salaries and fringes

Net capital assets decreased by **\$8,778**. This decrease was due mainly to the purchase of a computers less depreciation.

The Council did not have any funds with deficit fund balances.

Fund balances at the year-end (page 11) for the Council was **\$78,234**.

HOW TO USE THIS ANNUAL REPORT

The Council's annual financial report consists of five parts:

- (1) Management's discussion and analysis (this section)
- (2) The Basic financial statements (government-wide and fund)
- (3) Supplementary information required by GASB 34
- (4) Supplementary information required by GOEA
- (5) Auditor reports

The basic financial statements included two kinds of statements that present different views of the Council:

Government-wide Financial Statements

The Government-wide financial statements (see pages 8 and 9) are designed to provide readers with a broad overview of the Council's finances, in a manner similar to a private sector business. The statement of net assets presents information on all of the Council's assets and liabilities, with the difference between the two reports as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating. The statement of activities presents information showing how the Council's net assets change during each fiscal year (revenues less expenditures). All changes in net assets are reported as soon as the financial transaction occurs regardless of the timing of the related cash flows. Thus, revenue and expenditures are reported in this statement this fiscal year even though the resulting cash flow is in future fiscal years. The governmental activity of the Council is health and welfare, which is comprised of various programs that include supportive services, nutritional services, utility assistance, disease prevention and caregiver support.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Council are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current year inflows and outflows of cash, as well as on balances of spendable resources available at the end of the fiscal year. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to help with comparisons between governmental funds and governmental activities (Pages 12 and 14)

The Council has presented the General Fund, Title III-B, Title III C-1, and Title III C-2, as major funds. All non-major governmental funds are presented in one column, titled "Total Non-Major Funds". Combining financial statements of the non-major funds can be found in the Combining Fund Statements that follow the basic financial statements. (Page 51)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes of the financial statements can be found on Page 15-42 of this report

Other Information

In addition to the basic financial statements and accompanying notes, this report also represents certain required supplementary information that further explains and supports the information in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted budget (Pages 46-49).

In addition to these required elements, the Council has a section of supplementary information. The Governor's Office of Elderly Affairs (GOEA) has required the Council to present combining statements and provide details of our non-major governmental funds and details about capital assets and the changes in capital assets. This information will be used by GOEA to verify the accuracy of information submitted to them during the year and to help monitor certain compliance requirements set forth in the grants that it has with the Council. (Pages 51-52)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets serve as a useful indicator of the Council's financial position. As of June 30, 2012, assets exceeded liabilities by \$93,779. The Council has a stable cash position.

CAPITAL ASSETS

The Council's investment in capital assets for its governmental activities as of June 30, 2012, amounts to \$24,633 (net accumulated depreciation). This investment in capital assets includes office furniture, fixtures, vehicles, machinery and equipment (see table below):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated				
Vehicles	598,454	-0-	-0-	98,454
Office Furniture and equipment	29,368	3,891	-0-	33,259
Infrastructure	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total capital assets being depreciated	<u>127,822</u>	<u>3,891</u>	<u>-0-</u>	<u>131,713</u>
Less accumulated depreciation for				
Vehicles	85,271	6,372	-0-	91,643
Office Furniture and equipment	<u>9,140</u>	<u>6,297</u>	<u>-0-</u>	<u>15,437</u>
Total accumulated depreciation	<u>94,411</u>	<u>12,669</u>	<u>-0-</u>	<u>107,080</u>
Total capital assets being depreciated, net	<u>33,411</u>	<u>(8,778)</u>	<u>-0-</u>	<u>24,633</u>

Additional information on the Council's capital assets can be found on page 36.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Council receives most of its funding from federal and state agencies and local taxes. Because of this, the source of income for the Council is consistent. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council, and therefore, those revenues are not fixed. There have been no significant changes to the funding levels or terms of the grants and contracts. The Governor's Office of Elderly Affairs (GOEA) has approved the Council's budget for the fiscal year 2012-2013. There are no plans to add any significant programs for next fiscal year.

The Executive Director and Board of Directors consider the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

- Actual expenditures from previous fiscal years in relation to expected needs in the current year
- Consideration of funding to be received from GOEA.
- Interest revenues have been budgeted with no anticipation of an increase in interest rates
- Salaries and benefits are based on the number of employees needed to perform necessary services and the related benefits.
- Travel rates in accordance with state travel regulations.
- Services the Council will provide along with estimated service cost.
- Estimate operating supplies needed to perform necessary services.
- Detail plan of equipment needed to be purchased.
- Vehicle insurance based on quotes and contracts.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Council's finances for all concerned.

Questions concerning any of the information provided in this report or request for additional information should be addressed to:

Board of Directors
East Feliciana Council on Aging, Inc.
P. O. Box 986
Clinton, Louisiana 70722
Phone: (225) 683-9862
Brenda Gardner, Executive Director

GOVERNMENT-WIDE FINANCIAL STATEMENTS

GOVERNMENT WIDE STATEMENT OF NET ASSETS

EAST FELICIANA COUNCIL ON AGING
CLINTON, LOUISIANA

June 30, 2012

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS:	
Cash	\$37,800
Contracts Receivable	33,992
Accounts Receivable	220
Prepaid Expenditures	6,301
Capital assets, net of accumulated depreciation	24,633
Total Assets	<u>\$102,946</u>
LIABILITIES AND FUND BALANCES:	
LIABILITIES:	
Accounts Payable	\$79
Compensated Absences	9,088
Total Liabilities	<u>\$9,167</u>
NET ASSETS:	
Invested in Capital Assets, net of debt	\$24,633
Restricted for	
Utilities	4,866
Unrestricted	64,280
Total Net Assets	<u>\$93,779</u>

The accompanying notes are an integral part of this statement

GOVERNMENT WIDE STATEMENT OF ACTIVITIES

**EAST FELICIANA COUNCIL ON AGING, INC.
CLINTON, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2012**

	Program Revenues					Net (Expenses) Revenues and Increases (Decreases) in Net Assets Governmental Activities
	Direct Expenses	Indirect Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants And Contributions	
Governmental Activities						
HEALTH, WELFARE & SOCIAL SERVICES						
SUPPORT SERVICES						
Material Aid	\$2,668	\$0	\$0	\$0	\$0	\$2,668
Recreation	1,053	0	0	0	0	1,053
Transportation	117,595	81,970	2,819	152,441	4,400	39,905
NURITION SERVICES						
Congregate Meals	24,681	16,185	3,802	17,722	0	19,342
Home Delivered Meals	36,433	25,543	1,494	35,230	0	25,252
Disease Prevention	1,475	1,718	0	2,118	0	1,075
National Care Giver Support	0	300	0	300	0	0
Utility Assistance	6,134	0	0	3,926	0	2,208
Administration	160,976	(125,716)	0	5,498	0	29,762
Total Governmental Activities	351,015	0	8,115	217,235	4,400	121,265
General Revenues						
Grants and contributions not restricted						68,245
Investment earnings						23
Other general revenues						5,748
Special-Sale of Fixed Assets						0
Total general revenues and transfers						74,016
INCREASE IN NET ASSETS						(47,249)
Net assets-beginning						141,028
Net assets-ending						93,779

The accompanying notes are an integral part of this statement

BALANCE SHEET
GOVERNMENTAL FUNDS

EAST FELICIANA COUNCIL ON AGING, INC.
CLINTON, LOUISIANA

June 30, 2012

	GENERAL FUND	TITLE III B	TITLE III C 1	TITLE III C 2	NON MAJOR FUNDS	TOTAL
ASSETS:						
Cash	\$32,934	\$0	\$0	\$0	\$4,866	\$37,800
Contracts Receivable	25,887	4,005	844	3,456	0	33,992
Accounts Receivable	220					220
Prepaid Expenditures	6,301	0	0	0	0	6,301
Due From Other Funds	8,105	0	0	0	0	8,105
Total Assets	<u>73,447</u>	<u>4,005</u>	<u>844</u>	<u>3,456</u>	<u>4,866</u>	<u>86,418</u>
LIABILITIES AND FUND BALANCES:						
LIABILITIES.						
Accounts Payable	\$79	\$0	\$0	\$0	\$0	79
Due To Other Funds	0	4,005	644	3,456	0	8,105
Total Liabilities	<u>79</u>	<u>4,005</u>	<u>644</u>	<u>3,456</u>	<u>0</u>	<u>8,184</u>
FUND BALANCES.						
Nonspendable						
Prepaid Expenditures	6,301	0	0	0	0	6,301
Assigned For						
Utility Assistance	0	0	0	0	4,866	4,866
Unassigned	67,067	0	0	0	0	67,067
Total Fund Balance	<u>73,368</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,866</u>	<u>78,234</u>
Total Liabilities Fund Balances	<u>73,447</u>	<u>4,005</u>	<u>844</u>	<u>3,456</u>	<u>4,866</u>	<u>86,418</u>

The accompanying notes are an integral part of this statement

**Reconciliation of Fund Balances on the Balance Sheet
For Governmental Funds to Net Assets of
Governmental Activities on the Statement of Net Assets**

**EAST FELICIANA COUNCIL ON AGING, INC.
CLINTON, LOUISIANA
June 30, 2012**

Fund Balances - Total Governmental Funds	\$78,234
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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

Add Capital Assets	131,713
Deduct - Accumulated depreciation	<u>(107,080)</u>
Net adjustments	<u>24,633</u>

Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Assets

Compensated absences	<u>9,088</u>
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Net Assets of Governmental Activities	<u>93,779</u>
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The accompanying notes are an integral part of this statement

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

EAST FELICIANA COUNCIL ON AGING, INC.
CLINTON, LOUISIANA
YEAR ENDED JUNE 30, 2012

	GENERAL FUND	TITLE III B	TITLE III C 1	TITLE III C 2	NON- MAJOR FUNDS	TOTAL
Revenues.						
INTERGOVERNMENTAL						
Governors Office of Elderly Affairs	\$40,600	\$0	\$0	\$0	\$27,645	\$68,245
Capital Area Agency on Aging	334	48,496	17,722	35,230	6,344	108,126
Department of Health & Hospitals	0	0	0	0	9,088	9,088
Department of Transportation	99,257	0	0	0	0	99,257
PUBLIC SUPPORT						
Client Contributions	5,164	2,819	3,802	1,494	0	13,279
Investment Income	23	0	0	0	0	23
Miscellaneous income	5,748	0	0	0	0	5,748
In-Kind Revenue	0	38,197	10,073	5,037	7,000	60,307
Total Revenue	151,126	89,512	31,597	41,761	50,077	364,073
Expenditures:						
HEALTH & WELFARE & SOCIAL SERVICES						
CURRENT						
Salaries	12,630	113,738	26,210	36,776	2,784	192,138
Fringe	14,611	16,661	3,815	5,340	294	40,721
Travel	2,019	5,564	716	1,136	58	9,493
Operating Services	3,302	26,743	3,027	8,857	250	42,179
Operating Supplies	20,448	3,429	712	752	44	25,385
Other	3,739	5,895	643	1,164	63	11,504
Meals	7,951	0	1,387	0	0	9,338
Utility Assistance	0	0	0	0	6,134	6,134
Capital Outlay	4,569	0	0	0	0	4,569
In-Kind Expenditures	0	38,197	10,073	5,037	7,000	60,307
Total Expenditures	69,269	210,227	46,583	59,062	16,827	401,768
Excess of Revenue over (Under) Expenditures	81,857	(120,715)	(14,986)	(17,301)	33,450	(37,695)
OTHER FINANCIAL SOURCES (USES)						
Transfers In	0	120,715	14,986	17,301	1,075	154,077
Transfers Out	(117,344)	0	0	0	(36,733)	(154,077)
	(117,344)	120,715	14,986	17,301	(35,658)	0
Net increase (decrease) in fund balances	(35,487)	0	0	0	(2,208)	(37,695)
Fund Balance, Beginning	108,855	0	0	0	7,074	115,929
Fund Balance, Ending	73,368	0	0	0	4,866	78,234

The accompanying notes are and integral part of this statement

**Reconciliation of Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities**

**EAST FELICIANA COUNCIL ON AGING, INC.
CLINTON, LOUISIANA
For the Year Ended June 30, 2012**

Net Change in Fund Balances - Total Governmental Funds (\$37,695)

Amounts reported for governmental activities in the statements of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Add Capital outlays	3,891
Deduct - depreciation expense	<u>(12,668)</u>
Net Adjustment	<u>(8,777)</u>

Some expenses (i.e. compensated absences) reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	<u>(777)</u>
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Change in Net Assets of Governmental Activities (47,249)

The accompanying notes are an integral part of this statement

NOTES TO THE FINANCIAL STATEMENTS

**East Feliciana Council on Aging
Clinton, Louisiana
June 30, 2012**

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Purpose of the Council on Aging

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

The primary services provided by the Council to the elderly residents of East Feliciana Parish include transportation, homemakers, legal assistance, information and assistance, outreach, utility assistance, congregate and home delivered meals, distribution of food commodities, nutritional education, individual counseling, in-home respite, employment services, medication management, wellness, and unmet needs.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

b. Reporting Entity

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

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

East Feliciana Council on Aging (the Council) is a non-profit, quasi-public corporation. The Council received its charter from the Governor of the State of Louisiana on September 10, 1975 and began operations November 20, 1975, the date in which it filed its articles of incorporation with the Secretary of State's office.

A board of directors, consisting of 15 voluntary members, who serve three-year terms, governs the Council. Each member may serve no more than two consecutive terms. Any board member who has served two consecutive terms is ineligible to serve on the board of directors for one year. Reasonable efforts are made to maintain a board of directors whose composition will be representative of the population of East Feliciana Parish. Nominations to fill expiring terms of board members are made in February by the Council's Development Committee. Additional nominations may also come from the floor. The Members of the Council elect board members at a regular board meeting in April. Any adult citizen of East Feliciana Parish may register to be a "member" of the Council. Membership fees are not charged.

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

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

c. Basis of Presentation of the Basic Financial Statements

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

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

Government-Wide Financial Statements:

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

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

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

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

c. Basis of Presentation of the Basic Financial Statements (Continued)

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

Direct expenses reported in the Statement of Activities are those that are clearly identifiable with a specific function or program, whereas, the Council allocates its indirect expenses among various functions and programs in accordance with OMB Circular A-87, *Cost Principles for States, Local, and Indian Tribal Governments*. The Statement of Activities shows this allocation in a separate column labeled "indirect expenses."

In the Statement of Activities, charges for services represent program revenues obtained by the Council when it renders services provided by a specific function or program to people or other entities. Unrestricted contributions, unrestricted grants, and interest income that are not included among program revenues are reported instead as general revenues in this statement. Special items, if any, are significant transactions within the control of management that are either unusual in nature or infrequent in occurrence and are separately reported below general revenues. The Council did not have any special items this year.

Fund Financial Statements:

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

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

c. Basis of Presentation of the Basic Financial Statements (Continued)

The daily accounts and operations of the Council continue to be organized using funds and account groups. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Government 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 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. In addition, management may also choose to report any other governmental fund as a major fund if it believes the fund is particularly important to financial statement users. The nonmajor funds are summarized by category or fund type into a single column in the fund financial statements.

Governmental fund equity is called the fund balance. Fund balance is further classified on a hierarchy that shows, from highest to the lowest, the level or form of constraints on fund balance and accordingly, the extent to which the Council is bound to honor them: non-spendable, restricted, committed, assigned and unassigned.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

c. Basis of Presentation of the Basic Financial Statements (Continued)

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

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

The following is a brief description of the programs that comprise the Council's General Fund:

Local Programs and Funding

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

PCOA Funding

PCOA funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council may use these "Act 735" funds at its discretion provided the program is benefiting people who are at least 60 years old. In FY 2012, the Council transferred its PCOA funds to pay for program expenditures that exceeded the grant reimbursements from Capital Area Agency on Aging (CAAA).

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

c. Basis of Presentation of the Basic Financial Statements (Continued)

Supplemental Senior Center Funding

The Louisiana Legislature appropriated additional money for various councils on aging throughout the state to be used to supplement the primary state grant for senior centers. In FY 2012 the Council received \$3,100 of supplemental senior center funding from GOEA. Management can use its discretion as to how to spend this money as long as the program benefits anyone at least 60 years old. This year management received this money into the Council's General Fund and then transferred it out to the Title III programs to subsidize the operating cost of those fund's program services.

Audit Funding

Each year GOEA provides funds to subsidize the cost of the Council's annual audit. The audit funds were received and accounted for in the General Fund and used to pay for the cost of the audit. The audit cost in excess of the subsidy was allocated to the Council's programs and funds using its direct cost allocation model.

Transportation Program Services - Nonelderly

The Council provides various transportation services to the residents of East Feliciana Parish who are not 60 years old for a fee. The fee ranges from \$5.00 to \$8.00 per one-way trip and is based on whether the trip is in the parish or out of the parish. These program service fees and their related cost are accounted for within the "Nonelderly Transportation" program of the General Fund. In contrast, transportation services provided to residents who are at least 60 years old are accounted for in the "Elderly Transportation" program of the Title III B Fund.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

c. Basis of Presentation of the Basic Financial Statements (Continued)

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. A significant percentage of the Council's special revenue funds are provided by Capital Area Agency on Aging - District II, Inc (CAAA) The Title III funds, which the Council receives, are provided by the United States Department of Health and Human Services - Administration on Aging to GOEA, which in turn "passes through" the funds to the Council via CAAA GOEA also provides CAAA funds from other state grants, which are passed through to the Council

The Council has established several special revenue funds The following are brief description of the purpose of each special revenue fund and their classification as either a major or nonmajor governmental fund:

Major Governmental Funds:

Title III B Fund

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

	<u>Type of Service Provided</u>
Information and Assistance	449
Outreach	77
Recreation	4,167
Transportation for people age 60 or older	6,382
Material Aid	1,264
Telephoning	1,611
Utility Assistance	33

There are two main sources of revenues that form the basis of this fund as follows

1. A grant from GOEA for Special Programs for the Aging-Title III, Part B - Grants for supportive Services and Senior Centers (\$48,496).
2. Restricted, voluntary public support (\$2,819) from persons who actually received homemaker and transportation services

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

c. Basis of Presentation of the Basic Financial Statements (Continued)

Title III C-1 Fund

The Title III C-1 Fund accounts for funds used to provide nutritional, congregate meals to people age 60 or older in strategically located centers throughout East Feliciana Parish. The Council maintains meal-sites at Clinton and Jackson, Louisiana. During the year the Council provided 11,146 meals, and 36 units of nutrition education under this program.

There are two main sources of revenues that form the basis of this fund as follows:

1. A grant from GOEA for Special Programs for the Aging - Title III, Part C-1 - Nutrition Services (\$17,722).
2. Restricted, voluntary public support (\$3,802) from persons who actually received congregate meal services.

Title III C-2 Fund

The Title III C-2 Fund is used to account for funds that are used to provide nutritional meals and nutrition education to homebound people who are age 60 or older. During the year the Council provided 14,249 home-delivered meals. The Council also provided 58 units of nutrition education under this program.

There are two main sources of revenues that form the basis of this fund as follows:

1. A grant from GOEA for Special Programs for the Aging - Title III, Part C-2 - Nutrition Services (\$35,230)
2. Restricted, voluntary public support (\$1,494) from persons who actually received home delivered meals.

Non-major Governmental Funds:

Title III D Fund

The Title III D Fund accounts for funds used for wellness, which includes disease prevention and health promotion activities. During the year the Council provided 2,440 units of wellness service and 39 units of medication management to eligible participants in this program. The main source of the revenue forming the basis for this fund is a grant the Council receives from GOEA for Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

c. Basis of Presentation of the Basic Financial Statements (Continued)

Title III E Fund

The Title III E Fund is used to account for funds relating to the National Family Caregiver Support program, which is designated to provide multifaceted systems of support services for family caregivers and for grandparents or older individuals who are relative caregivers. During the year, the Council provided 2 unit of information counseling services under this program. The main source of the revenue forming the basis for this fund is a grant the Council receives from GOEA for Title III, Part E - National Family Caregivers Support Program.

Senior Center Fund

The Senior Center Fund accounts for the administration of Senior Center program funds appropriated by the Louisiana Legislature to GOEA, which in turn "passes through" the funds to the Council. The purpose of this program is to provide community service centers where elderly people can receive supportive social services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The Council maintains its senior centers at Clinton and Jackson in East Feliciana Parish.

Utility Assistance Fund

This fund is used to account for the administration of the utility assistance programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging throughout the state to provide assistance to the elderly, as well as disabled and handicapped people, for the payment of utility bills. Program contributions from Entergy customers for the Power to Care utility assistance program can only be used to pay for direct services.

No indirect or administration expenses can be paid for with these funds. During the year, the Council assisted 33 people with paying their utility bills. The maximum amount of assistance a person can receive in one year is usually limited to \$600 under the Power to Care program.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

c. Basis of Presentation of the Basic Financial Statements (Continued)

Medicaid Fund

The Medicaid Fund is used to account for funds used for the transportation of Medicaid recipients in the East Feliciana Parish area

d. Measurement Focus and Basis of Accounting

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

- **Government-wide Financial Statements - Accrual Basis**

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

- **Fund Financial Statements - Modified Accrual Basis**

Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. A current financial resources measurement focus means that only current assets and current liabilities are generally included on the fund balance sheet. The operating statements of the funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be "available" if they are collected within sixty days of the current fiscal year end.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred, if measurable, except for the following: (1) unmatured principal and interest on long-term debt, if any, are recorded when due, and (2) claims, judgments, and compensated absences are recorded as expenditures when paid with expendable available financial resources. Depreciation and amortization are costs that are not recognized in the governmental funds.

e. Inter-fund Activity

In the fund financial statements, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate. Transfers represent a permanent reallocation of resources between funds. In other words, they are not expected to be repaid.

In the government-wide financial statements, all types of interfund transactions are eliminated when presenting the governmental activity information.

f. Cash

Cash includes not only currency on hand, but demand deposits with banks or other financial institutions.

For the purposes of the Statement of Net Assets, restricted cash are amounts received or earned by the Council with an explicit understanding between the Council and the resource provider that the resource would be used for a specific purpose. At year-end, the line item "Cash" on the Statement of Net Assets is comprised of restricted cash of \$4,866. The Council has presented restricted cash as a component of current assets in the Statement of Net Assets because it is available for use in current operations.

g. Receivables

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

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

h. Prepaid Expenses/Expenditures

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

h. Prepaid Expenses/Expenditures (Continued)

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

For purposes of presenting prepaid expenses in the government-wide statements, the Council will follow the same policy it uses to record prepaid expenditures in the fund financial statements with one exception. Occasionally, with Council on Aging type entities, disbursements are made as "matching" payments to acquire vehicles that will be titled to another government. When this type of transaction occurs, the disbursement is recorded as a prepaid expense and amortized in the Statement of Net Assets to better present the economics of the transaction and to keep from distorting the Council's transportation expenses in the Statement of Activities. In contrast, 100% of the "matching" payments are reported in the fund financial statements as intergovernmental expenditures when the vehicles are received. The Council did not have any "matching" type transactions this year.

j. Capital Assets

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

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

j. Capital Assets - (Continued)

Government-Wide Financial Statements

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

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

Using this guideline, the estimated useful lives of the various classes of depreciable capital assets are as follows:

Office equipment - other than computers	6 years
Vehicles	5 years
Computer equipment	5 years

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

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

j. Capital Assets - (Continued)

Fund Financial Statements

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

k. Non-Current (Long-term) Liabilities

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

l. Compensated Absences

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

The amount recorded as compensated absences liability was determined using the number of vested hours for each employee multiplied by the employee's wage rate in effect at the end of the year. An amount is added to this total for Social Security and Medicare taxes.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

l. Compensated Absences (Continued)

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

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

m. Advances from Funding Agency

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

n. Deferred Revenue Other than Property Tax

The Council reports deferred revenues on both the Statement of Net Assets (government-wide) and the Balance Sheet of the fund financial statements Deferred revenues arise when the Council receives resources before it has a legal claim to them, as when grant monies are received before the occurrence of qualifying expenditures In subsequent periods, when the Council has a legal claim to the resources, the liability for deferred revenue is removed from the Statement of Net Assets and the Fund Balance Sheet, whichever the case might be, and the revenue is recognized The Council did not have any deferred revenue at year-end

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

o. Net Assets in the Government-wide Financial Statements

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

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

When both restricted and unrestricted resources are available for use in a specific program or for a specific purpose, the Council's usual policy is to use restricted resources first to finance its activities. However, management will depart from its usual policy by using unrestricted funds in the Council's nutrition programs before consuming unspent NSIP funds, which are restricted type revenue. The reason management will take this action is because certain unrestricted funds will have to be returned to GOEA if not consumed by June 30, whereas unconsumed NSIP funds are allowed by GOEA to be carried over and used in a subsequent year.

Note 1 – PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

p. Fund Equity - Fund Financial Statements

Governmental fund equity is classified as fund balance. Beginning with FY 2012, the Council implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used.

1. **Non-spendable**: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being non-spendable as this item is not expected to be converted to cash.
2. **Restricted** This classification includes amounts for which constraints have been placed on the use of resources are either
 - A Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws of regulations of other governments; or
 - B Imposed by law through constitutional provisions or enabling legislation

Management has classified \$4,866 of the fund balance for the utility assistance special revenue fund as being restricted due to the constraints placed on the use of the money contributed by the general-public and Entergy Corporation.

3. **Committed** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Council's board of directors, which is the Council's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council did not have any committed resources as of year-end.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

4. **Assigned** This classification includes spendable amounts that are reported in governmental funds other than the General Fund, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by either the Council's board of directors, or a subordinate high-level body, such as a finance committee, or an official, such as the executive director, that has the authority to assign amounts to be used for specific purposes. The Council's management has not assigned any amounts at year-end.
5. **Unassigned** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the Council would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

q. Management's Use of Estimates

The preparation of financial statements in conformity with U.S. 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.

r. 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 costs of the Administration function. The net cost of the Administration function is allocated using a formula based primarily on the relationship the direct cost a program bears to the direct cost of all programs. There are some programs that cannot absorb any indirect expense allocation according to their grant or contract restrictions.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

s. Elimination and Reclassifications

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

t. New Accounting Pronouncement

Beginning with the June 30, 2011 fiscal year, the management has adopted the provisions of Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions. The main financial statement effects relating to this new accounting standard are with how the components of the Council's fund balances will be presented on the fund balance sheet and on presentation of special revenue funds on the statement of revenues, expenditures and changes in fund balances. The number of special revenue funds will be less than in previous years because of the new definition of what constitutes a special revenue fund.

Note 2 - Revenue Recognition

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

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

Note 3 - Cash Management and Bank Deposits

The Council maintains a consolidated operating bank account at Landmark Bank, which is available for use by all funds to deposit revenues and pay expenses. The purpose of this consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds.

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

Cash is reported at its carrying value, which equals its fair value. At June 30, the carrying value of the Council's cash was \$37,800 and the related bank balances was \$56,841. The difference of \$19,041 was principally due to outstanding checks that had not cleared the bank. Bank balances, other than non-interest bearing demand accounts, in excess of the \$250,000 FDIC insurance are exposed to credit risk. However, at year-end, all of the Council's bank balances were insured 100% by federal depository insurance.

Note 5 - Prepaid Expenditures and Expenses

At year-end, prepaid expenditures and prepaid expenses consisted of the following.

	<u>Prepaid Expenditures</u>	<u>Prepaid Expenses</u>
Insurance Premiums	\$6,050	\$6,050
Other Miscellaneous Items	<u>251</u>	<u>251</u>
	<u>6,301</u>	<u>6,301</u>

Note 6 - Changes in Capital Assets and Accumulated Depreciation

Capital assets and depreciation activity as of and for the year ended June 30, 2012, for the primary government is as follows

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets being depreciated				
Vehicles	\$98,454	-0-	-0-	\$98,454
Office Furniture and equipment	29,368	3,891	-0-	33,259
Infrastructure	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total capital assets being depreciated	<u>127,822</u>	<u>3,891</u>	<u>-0-</u>	<u>131,713</u>
Less accumulated depreciation for				
Vehicles	85,271	6,372	-0-	91,643
Office Furniture and equipment	<u>9,140</u>	<u>6,297</u>	<u>-0-</u>	<u>15,437</u>
Total accumulated depreciation	<u>94,411</u>	<u>12,669</u>	<u>-0-</u>	<u>107,080</u>
Total capital assets being depreciated, net	<u>33,411</u>	<u>(8,778)</u>	<u>-0-</u>	<u>24,633</u>

All the Council's vehicles are operational at year end. The Council's management has reviewed capital assets and does not believe any capital asset has been impaired as of year-end.

Depreciation was charged to governmental activities as follows

Administration	\$1,163
Support Services	
Transportation of Elderly	7,150
Nutrition Services	
Congregate Meals	<u>4,356</u>
Total depreciation expense for	
Governmental activities	<u>12,669</u>

The \$1,163 of depreciation associated with the administration function relates to capital assets that essentially serve all functions. Accordingly, it is included as a direct expense of the administration function on the Statement of Activities and then allocated to other functions in accordance with the Council's method of allocating indirect expenses. The other depreciation amounts (\$11,506) are charged as direct expenses to their related functions on the Statement of Activities.

Note 7 - Changes in Compensated Absences

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

Unpaid Vacation Leave, Beginning of Year	\$8,311
Net Increase (Decrease)	<u>777</u>
Unpaid Vacation Leave, End of Year	<u>9,088</u>

Note 8 - Fund Balances - Fund Financial Statements

At year-end, one special revenue fund had remaining fund balance of \$4,866. Of this balance \$4,866 represents unspent utility assistance contributions to help the elderly with utility bills.

Note 9 - In-Kind Contributions

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

The in-kind contributions that the Council received during the year consisted primarily of free rent and utilities relating to the use of the main administration office in Clinton and meal sites in Clinton and Jackson, Louisiana.

Note 9 - In-Kind Contributions - (Continued)

The Hill Country Realty & Appraisal Company has provided the Council information as to the fair value of the facility rental. The volunteer services were valued by recording the number of hours the volunteers worked and multiplying the hours by minimum wage. A summary of the in-kind contributions and their estimated values are as follows

Facility Rental	\$50,367
Supplies	2,400
Volunteer Workers	<u>7,540</u>
Total In-Kind Expenditures	<u>60,307</u>

If these in-kind contributions had been recorded in the Statement of Activities their allocation would have been as follows:

Nutrition Services-Congregate Meals	\$10,073
Nutrition Services-Home Delivery Meals	5,037
Transportation	38,197
Title III D Preventive Health	<u>7,000</u>
Total In-Kind Expenditures	<u>60,307</u>

Note 10 - Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members can request reimbursement for out-of-pocket expenses in accordance with the Council's travel policy when traveling on behalf of the Council

Note 11 - Income Tax Status

The Council, a non-profit corporation, is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code of 1986, and as an organization that is not a private foundation as defined in Section 509(a) of the Code. The Council is also exempt from Louisiana income tax

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to tax return examinations for the years prior to 2009

Note 12 - Judgments, Claims, and Similar Contingencies

As of year-end the Council's management has no knowledge of any pending litigation, lawsuits, or claims against the Council. Furthermore, the Council's management believes that any unexpected lawsuits or claims that might be filed against the Council would be adequately covered by insurance or resolved without any material impact upon the Council's financial statements.

Note 13 - Contingencies - Grant Programs

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

Note 14 - Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions by employees; job related illnesses or injuries to employees, officer and directors' liability; business interruption and natural disasters. To primarily cover or reduce the risk of loss that might arise should one of these incidents occur, The Council has purchased commercial insurance with varying deductible amounts as follows.

Auto Collision and Comprehensive	\$1,000,000
General Liability	2,000,000
Damages to Rented Premises	50,000
Personal Injury	1,000,000
Worker Compensation	Statutory

Note 14 - Risk Management - (Continued)

The Council's management has not purchased commercial insurance or made provision to cover the risk of loss, as a result of business interruption and certain acts of God

There have been no significant reductions in insurance coverage from the prior year. No settlements were made during the current or prior three years that exceeded the Council's insurance coverage.

Note 15 - Related Party Transactions

There were no related party transactions during the fiscal year.

Note 16 - Economic Dependency

The Council receives the majority of its annual revenues from the Governor's Office of Elderly Affairs (GOEA). These revenues are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and state level, the amount of funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is aware that it will no longer receive Title III D or Title III E funding. These actions will not significantly affect the amount the Council will receive next year relating to revenues it usually receives from GOEA.

Note 17 - Inter-fund Receivables and Payables - Fund Financial Statements

Because the Council operates 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 loans. A summary of these interfund loans, at year-end, is as follows:

	<u>From</u>	<u>To</u>
General Fund:		
Major Funds		
Title III B	\$4,005	\$-0-
Title III C 1	617	-0-
Title III C 2	3,456	-0-
Non-Major Funds		
Title III D	<u>27</u>	-0-
Total for General Fund	<u>8,105</u>	<u>-0-</u>
Special Revenue Funds:		
Major Funds:		
Title III B:		
General Fund	-0-	4,005
Title III C 1		
General Fund	-0-	617
Title III C 2:		
General Fund	-0-	3,456
Non-Major Funds:		
Title III D		
General Fund	<u>-0-</u>	<u>27</u>
Totals for Special Revenue Funds	<u>-0-</u>	<u>8,105</u>
Total All Funds	<u>8,105</u>	<u>8,105</u>

Note 18 - Subsequent Events

Management has evaluated subsequent events through August 10, 2012, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year-ended June 30, 2012

Note 20 - Interfund Transfers

Interfund Transfers in and out are listed by fund as follows

	Transfers In	Transfers Out
General Fund.		
PCOA Fund	\$0	\$37,500
Title III B Fund	0	60,490
Title III C 2 Fund	0	16,254
Senior Center Supplemental Fund	0	3,100
Nonmajor Funds in the Aggregate	0	0
Total General	<u>0</u>	<u>117,344</u>
Title III B Fund:		
General Fund	80,882	0
Senior Center Fund	27,645	0
Senior Center Supplemental Fund	3,100	0
Medicaid	9,088	0
Total III B Fund	<u>120,715</u>	<u>0</u>
Title III C 1 Fund:		
General Fund	14,986	0
	<u>14,986</u>	<u>0</u>
Title III C 2 Fund:		
General Fund	17,301	0
	<u>17,301</u>	<u>0</u>
Nonmajor Funds in the Aggregate:		
Title III D Fund	1,075	0
Senior Center Fund	0	27,645
Medicaid	0	9,088
Total Building Fund	<u>1,075</u>	<u>36,733</u>
Total Transfers In/Out	<u>154,077</u>	<u>154,077</u>

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

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GASB 34

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

EAST FELICIANA COUNCIL ON AGING CLINTON, LOUISIANA

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 1 - BUDGETARY REPORTING

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

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

- The Capital Area Agency on Aging - District II Inc., (CAAA) notifies the Council each year as to the funding levels for each program's grant award.
- Revenue projections are also made based on grants from GOEA and other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- Expenditure projections are developed using historical information and changes to the upcoming year that management is aware of at the time of budget preparation.
- Once the information regarding projected revenues and expenditures has been obtained, the Council's executive director and bookkeeper prepare a proposed budget based on the projections. The proposed budget is submitted to the Board of Directors for final approval.
- The Board of Directors reviews and adopts the budget for the next fiscal year at a regularly scheduled board meeting before May 31 of the current fiscal year.
- The adopted budget is forwarded to CAAA for compliance approval for the funds it will pass-through to the Council from GOEA.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Continued)

- Unused budget amounts lapse at the end of each fiscal year (June 30). However, if a grant or contract is not completed by June 30, management will automatically budget funds in the next fiscal year to complete the grant or contract. An example where this might occur is when vehicles are acquired under a federal matching program. The "match" might be made in one year and the vehicle delivered in another year.
- The budget is prepared on a modified accrual basis, consistent with the basis of accounting for governmental funds, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying required supplementary information include the original adopted budget amounts and all subsequent amendments. During the fiscal year management did not amend the budget.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The Council may transfer funds between line items as often as required but must obtain compliance approval from the CAAA and the Governor's Office of Elderly Affairs for funds received under grants and contracts from these agencies. As a part of their compliance, CAAA and GOEA require management to amend the budget in cases where actual expenditures for a particular line item exceed their budgeted amount by more than 10%, unless unrestricted funds are available to "cover" the overrun.
- Budgeted expenditures cannot exceed budgeted revenues on an individual fund level, unless a large enough fund balance exists to absorb the budgeted operating deficit.
- The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some activities may not be budgeted, particularly if they are deemed to be immaterial by management.

**EAST FELICIANA COUNCIL ON AGING, INC.
 CLINTON, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2012**

	BUDGET AMOUNTS		ACTUAL	VARIANCE
			AMOUNTS	FINAL BUDGET
	ORIGINAL	FINAL	GAAP BASIS	FAVORABLE (UNFAVORABLE)
REVENUES:				
Intergovernmental				
Governor's Office of Elderly Affairs	\$4,515	\$22,258	\$40,600	\$18,342
Capital Area Agency on Aging	0	334	334	0
Department of Transportation	0	34,700	99,257	64,557
Client Contributions	0	7,210	5,164	(2,046)
Investment Income	0	0	23	23
Miscellaneous Income	0	0	5,748	5,748
Total Revenues	4,515	64,502	151,126	86,624
EXPENDITURES				
Current				
Personnel	0	15,346	12,630	2,716
Fringe	0	14,661	14,611	50
Travel	2,400	2,400	2,019	381
Operating Services	115	3,051	3,302	(251)
Operating Supplies	0	19,000	20,448	(1,448)
Other	2,000	2,834	3,739	(905)
Meals	0	7,210	7,951	(741)
Capital Outlay	0	0	4,569	(4,569)
Total Expenditures	4,515	64,502	69,269	(4,767)
Excess (Deficiency) Of Revenue Over Expenditures	0	0	81,857	81,857
Other Financial Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	0	0	(117,344)	(117,344)
Total Other Financial Sources (Uses)	0	0	(117,344)	(117,344)
Net Increase (Decrease) in Fund Balances	0	0	(35,487)	(35,487)
Fund Balance, Beginning	108,855	108,855	108,855	0
Fund Balance, Ending	108,855	108,855	73,368	(35,487)

See notes to required supplementary information

**EAST FELICIANA COUNCIL ON AGING
 CLINTON, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE - TITLE III B
 FOR THE YEAR ENDED JUNE 30, 2012**

	BUDGET AMOUNTS		ACTUAL	VARIANCE
			AMOUNTS	FINAL BUDGET
	ORIGINAL	FINAL	GAAP BASIS	FAVORABLE (UNFAVORABLE)
REVENUES:				
Intergovernmental				
Capital Area Agency on Aging	\$48,496	\$48,496	\$48,496	\$0
Client Contributions	3,800	3,800	2,819	(981)
Total Revenues	52,296	52,296	51,315	(981)
EXPENDITURES				
Current				
Personnel	114,659	112,796	113,738	(942)
Fringe	10,064	16,321	16,661	(340)
Travel	6,519	6,357	5,564	793
Operating Services	33,578	28,802	26,743	2,059
Operating Supplies	19,114	3,320	3,429	(109)
Other	6,117	6,281	5,895	386
Total Expenditures	190,051	173,877	172,030	1,847
Excess (Deficiency) Of Revenue Over Expenditures	(137,755)	(121,581)	(120,715)	866
Other Financial Sources (Uses)				
Transfers In	137,755	121,581	120,715	(866)
Transfers Out	0	0	0	0
Total Other Financial Sources (Uses)	137,755	121,581	120,715	(866)
Net Increase (Decrease) in Fund Balances	0	0	0	0
FUND BALANCE, Beginning	0	0	0	0
FUND BALANCE, Ending	0	0	0	0

See notes to required supplementary information

**EAST FELICIANA COUNCIL ON AGING
 CLINTON, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE - TITLE III C 1
 FOR THE YEAR ENDED JUNE 30, 2012**

	BUDGET AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
			GAAP	FAVORABLE
			BASIS	(UNFAVORABLE)
REVENUES:				
Intergovernmental				
Capital Area Agency on Aging	\$17,722	\$17,722	\$17,722	\$0
Client Contributions	3,000	3,000	3,802	802
Total Revenues	20,722	20,722	21,524	802
EXPENDITURES				
Current				
Personnel	25,046	26,201	26,210	(9)
Fringe	2,399	3,913	3,815	98
Travel	626	739	716	23
Operating Services	2,633	2,935	3,027	(92)
Operating Supplies	614	780	712	68
Other	685	687	643	44
Meals	0	0	1,387	(1,387)
Total Expenditures	32,003	35,255	36,510	(1,255)
Excess (Deficiency) Of Revenue Over Expenditures	(11,281)	(14,533)	(14,986)	(453)
Other Financial Sources (Uses)				
Transfers In	11,281	14,533	14,986	453
Transfers Out	0	0	0	0
Total Other Financial Sources (Uses)	11,281	14,533	14,986	453
Excess of Revenues and Other Sources Over Expenditures And Other Uses	0	0	0	0
FUND BALANCE, Beginning	0	0	0	0
FUND BALANCE, Ending	0	0	0	0

See notes to required supplementary information

**EAST FELICIANA COUNCIL ON AGING
 CLINTON, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE - TITLE III C 2
 FOR THE YEAR ENDED JUNE 30, 2012**

	BUDGET AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
			GAAP	FAVORABLE
			BASIS	(UNFAVORABLE)
REVENUES:				
Intergovernmental				
Capital Area Agency on Aging	\$35,230	\$35,230	\$35,230	\$0
Client Contributions	2,200	2,200	1,494	(706)
Total Revenues	37,430	37,430	36,724	(706)
EXPENDITURES				
Current				
Personnel	36,745	36,940	36,776	164
Fringe	3,346	5,386	5,340	46
Travel	1,098	1,137	1,136	1
Operating Services	9,975	9,286	8,857	429
Operating Supplies	3,789	811	752	59
Other	1,203	1,171	1,164	7
Meals	7,062	0	0	0
Total Expenditures	63,218	54,731	54,025	706
Excess (Deficiency) Of Revenue Over Expenditures	(25,788)	(17,301)	(17,301)	0
Other Financial Sources (Uses)				
Transfers In	25,788	17,301	17,301	0
Transfers Out	0	0	0	0
Total Other Financial Sources (Uses)	25,788	17,301	17,301	0
Net Increase (Decrease) in Fund Balances	0	0	0	0
FUND BALANCE, Beginning	0	0	0	0
FUND BALANCE, Ending	0	0	0	0

See notes to required supplementary information

**SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY
THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS**

SCHEDULE OF NON-MAJOR SPECIAL REVENUE FUNDS

**EAST FELICIANA COUNCIL ON AGING, INC.
CLINTON, LOUISIANA
YEAR ENDED JUNE 30, 2012**

	Title III D	Title III E	Senior Center	Utility Assist- ance	MEDICAID	TOTAL
REVENUE						
Intergovernmental						
Governor's Office of Elderly Affairs	\$0	\$0	\$27,645	\$0	\$0	\$27,645
Capital Area Agency on Aging	2,118	300	0	3,926	0	6,344
Department of Health & Hospitals	0	0	0	0	9,088	9,088
Public Support						
Client Contributions	0	0	0	0	0	0
Miscellaneous Income	0	0	0	0	0	0
In-Kind Contributions	7,000	0	0	0	0	7,000
	<u>9,118</u>	<u>300</u>	<u>27,645</u>	<u>3,926</u>	<u>9,088</u>	<u>50,077</u>
EXPENDITURES						
HEALTH & WELFARE & SOCIAL SERVICES						
CURRENT						
Salaries	2,504	280	0	0	0	2,784
Fringe	294	0	0	0	0	294
Travel	58	0	0	0	0	58
Operating Services	237	13	0	0	0	250
Operating Supplies	44	0	0	0	0	44
Other	56	7	0	0	0	63
Utility Assistance	0	0	0	6,134	0	6,134
Capital Outlay	0	0	0	0	0	0
In-Kind Expenditures	7,000	0	0	0	0	7,000
	<u>10,193</u>	<u>300</u>	<u>0</u>	<u>6,134</u>	<u>0</u>	<u>16,627</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,075)</u>	<u>0</u>	<u>27,645</u>	<u>(2,208)</u>	<u>9,088</u>	<u>33,450</u>
OTHER FINANCIAL SOURCES (USES)						
Transfers In	1,075	0	0	0	0	1,075
Transfers Out	0	0	(27,645)	0	(9,088)	(36,733)
	<u>1,075</u>	<u>0</u>	<u>(27,645)</u>	<u>0</u>	<u>(9,088)</u>	<u>(35,658)</u>
Net Increase (Decrease) in Fund Balances	0	0	0	(2,208)	0	(2,208)
Fund Balance, Beginning	0	0	0	7,074	0	7,074
Fund Balance, Ending	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,866</u>	<u>0</u>	<u>4,866</u>

**EAST FELICIANA COUNCIL ON AGING
 CLINTON, LOUISIANA
 COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS AND CHANGES IN GENERAL FIXED ASSETS
 FOR THE YEAR ENDED JUNE 30, 2012**

	Balance July 1, 2011	Additions	Adjustments and Deletions	Balance June 30, 2012
General Fixed Assets:				
Vehicles	\$98,454	\$0	\$0	\$98,454
Equipment	29,368	3,891	0	33,259
Total General Fixed Assets	127,822	3,891	0	131,713
Investment in General Fixed Assets:				
General Fund - Insurance Replacement	7,760	0	0	7,760
Act 735 (PCOA)	19,484	0	0	19,484
United Way	14,834	0	0	14,834
FTA - Section 18 Funds	66,594	0	0	66,594
Department of Transportation - AARA	19,150	3,891	0	23,041
Total Investment in General Fixed Assets	127,822	3,891	0	131,713

Certified Public Accountant



Donald C. DeVille

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

August 10, 2012

Members of the Board of Directors
East Feliciana Council on Aging
Clinton, Louisiana

I have audited the financial statements of the East Feliciana Council on Aging as of and for the year ended June 30, 2012, and have issued my report thereon dated August 10, 2012. I conducted my 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 my audit, I considered East Feliciana Council on Aging's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiency in internal control over financial reporting that I consider to be material weaknesses, as defined above. However, I identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (Finding 2012-1). A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether East Feliciana Council on Aging's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my test disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as item 2012-1.

East Feliciana Council on Aging's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit East Feliciana Council on Aging's response and, accordingly, I express no opinion on it.

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

Handwritten signature: Harold C. Heville

EAST FELICIANA COUNCIL ON AGING
CLINTON, LOUISIANA
SCHEDULE OF PRIOR YEAR'S FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

<u>Re No</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Corrective Action Taken</u>
1	6-30-08	Council Lacks the Qualifications and Skills To Prepare Their Financial Statements	No	N/A-Cost to Benefit Too Great for the Small Entry

EAST FELICIANA COUNCIL ON AGING
CLINTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST
FOR THE YEAR ENDED JUNE 30, 2012

A. Summary of Auditor's Result

Financial Statements

Type of auditor's report issued: Unqualified

- **No material weaknesses identified.**
- **No significant deficiencies identified that are not considered to a material weakness.**

No noncompliance material to financial statements noted.

Federal Awards: Not Applicable

B. Findings – Financial Statement Audit

2012-1

Condition: The Center's management lack the qualifications and skills to prepare its Financial Statements.

Criteria: Statement on Auditing Standards No. 115 defines this deficiency in the design of Controls.

Effect: There is no material effect to the financial statements since the auditor prepared their statements

Recommendation: No recommendation because the Center is so small and the cost-to-benefit Ratio is too great.

Management Response. The cost to hire another CPA is too great for this small Council.

C. Management Letter

The auditor did not issue a management letter this year.

EAST FELICIANA COUNCIL ON AGING
CLINTON, LOUISIANA
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2012

Re: No - 2012-1

Description of Findings – Management lacks the qualifications and training to prepare their financial statements

Corrective Action Plan –The cost-to-benefit does not justify the hiring of another CPA to prepare their financial statements

Name of Contact – Brenda Gardner, Executive Director

Anticipated Completion Date – N/A