

Lincoln Council On Aging, Inc.

**Financial Statements
For The Year Ended June 30, 2014**



Douglas A. Brewer, LLC
Certified Public Accountant

Lincoln Council on Aging, Inc.
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For The Year Ended June 30, 2014

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Lincoln Council on Aging, Inc.
Ruston, Louisiana

I have audited the accompanying financial statements of the governmental activities and each major fund and the aggregate remaining fund information of the Lincoln Council on Aging, Inc. as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund and the aggregate remaining fund information of the Lincoln Council on Aging, Inc., as of June 30, 2014, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-10 and 37-42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 consisted of inquiries of management about the 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 our 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.

Other Reporting Required by Government Auditing Standard's

In accordance with *Government Auditing Standards*, I have also issued my report dated January 13, 2015, on my consideration of the Lincoln Council on Aging'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* in considering the Lincoln Council on Aging's internal control over financial reporting and compliance.

Douglas A. Brennan, LLC

Ruston, Louisiana
January 13, 2014

Lincoln Council on Aging, Inc.
Management's Discussion and Analysis
For the Year Ended June 30, 2014

The following discussion and analysis of Lincoln Council on Aging, Inc.'s financial performance provides an overview of the Council's financial activities for the year ended June 30, 2013. Please read it in conjunction with the financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

- The Council showed a net decrease in overall net position of \$37,004 or 9.83% this year.
- Net Capital Assets of the Council decreased by \$21,238.
- No deficit fund balances exist at year-end.
- The *unassigned* fund balance for the Council's General Fund was \$47,174 at year-end, which is an increase of \$34,940 from the prior year.

HOW TO USE THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 11 and 12) provide information about the activities of the Council as a whole and present a longer-term view of the Council's finances. Fund financial statements begin on page 13. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Council's operations in more detail than the government-wide statements by providing information about the Council's most significant funds.

Our auditor has provided assurance in his independent auditor's report, located immediately after this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. The auditor is providing varying degrees of assurance about Supplementary Financial Information required by GASB Statement 34 and Supplementary Financial Information required by GOEA and OMB Circular A-133 that follow later in this reporting package. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each part of the financial section of the report.

Reporting the Council as a Whole Using Government-Wide Statements

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

The Government-Wide statements can be found on pages 11 to 12 and report the Council's net assets and changes in them. Some of the net assets are restricted which means they can only be used for a specific purpose the Statement of Net Position is designed to present the financial position of the Council as of year-end. Over time, increases or decreases in the Council's net position are one indicator of whether its financial position is improving or deteriorating. However, to assess the overall financial position of the Council, you will need to consider other non-financial factors, such as the condition of the Council's capital assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

Lincoln Council on Aging, Inc.
Management's Discussion and Analysis
For the Year Ended June 30, 2014

The Statement of Activities provides information that shows how the Council's net position changed as a result of this year's activities. All of the Council's significant activities are reported in the Statement of Activities. These activities include an Administration function and a Health, Welfare, and Social Services function. The Health, Welfare, and Social Services function is comprised of various programs that include various supportive social services, nutritional services, utility assistance, and disease prevention and health promotion. All activities of the Council are considered to be governmental activities. A governmental activity is one where the Council uses money it receives from government grants and contracts, along with donations from the general public, to pay for the services it provides to the general public, or a segment of the general, such as the elderly. In other words, the people benefiting from the services are not required to pay for what they receive. If the Council charged fees to cover all or most of the cost of providing a service, that activity would be classified as a business-type activity. The council does not have any business-type activities. However, the Council does charge a small monthly fee to people who rent Medic Alert units and a fee for persons under 60 years old to ride the Council's vans. We do not view the fees we charge for these activities as a business-type activity because we do not intend to make a profit or recover the full cost of providing the service.

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

Our analysis of the Council's major funds begins on page 9. The Fund Financial Statements can be found on pages 13 to 14 and provide detailed information about the most significant funds – not the Council as a whole. In the Fund Financial Statements you will see a General Fund and a variety of Special Revenue Funds. The General Fund is used to account for all financial resources except those that are required to be accounted for in another fund. The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. By using separate funds to track revenues and expenditures, we can control and manage funds for particular purposes or we can show that the fund is meeting legal responsibilities for using certain grants and other money.

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 to 31. You should read the notes before making assumptions or drawing conclusions about the Council's financial condition.

Supplementary Financial Information Required by GASB Statement 34

The Governmental Accounting Standards Board (GASB) Statement 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted annual

Lincoln Council on Aging, Inc.
Management's Discussion and Analysis
For the Year Ended June 30, 2014

budget. The schedules compare the original and final appropriated budgets to actual budget results for the Council's fiscal year. We have also opted to present positive and negative variances between the final budget and actual amounts.

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

Management's Discussion and Analysis is also required supplementary information (RSI) by GASB Statement 34. However, it is presented as the first item in this reporting package and not with the other RSI by GASB Statement 34.

Other Supplementary Financial Information Required by GOEA

The Council has also presented other required supplemental information in this report package.

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present as schedules the information on pages 40 to 42. This information will be used by GOEA to verify the accuracy of information the Council submitted to it during the year and to help GOEA monitor certain compliance requirements set forth in the grants that it has with the Council.

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

The following table reflects condensed information on the Council's net assets:

	<u>2014</u>	<u>2013</u>
Assets		
Current and Other	\$ 239,531	\$ 294,806
Capital Assets, net	485,607	506,845
Total Assets	<u>725,138</u>	<u>801,845</u>
Liabilities	\$ <u>9,418</u>	\$ <u>7,971</u>
Net Position		
Invested in Capital Assets, Net of Related Debt	485,607	506,845
Restricted	182,939	204,721
Unrestricted	47,174	82,114
Total Net Position	<u>\$ 715,720</u>	<u>\$ 793,680</u>

Lincoln Council on Aging, Inc.
Management's Discussion and Analysis
For the Year Ended June 30, 2014

As of June 30, 2014, The Lincoln Council on Aging "as a whole" had assets greater than its liabilities by \$715,720. The Council's total net position decreased from \$793,680 to \$715,720. This equates to an decrease of 9.83%.

The Council's unrestricted net position decreased by \$34,940 or 43% for the year. About 6.6% of the Council's net position is unrestricted as of June 30, 2014. It is important that the Council have unrestricted net assets so that we will have resources available to adapt to changes in the economy, emergencies, unexpected needs, and reductions in termination of grant revenues by government agencies.

The Council's restricted net position decreased by \$21,782 or 10.64% because the Council has been able to meet the constraints imposed by the donors or grantors of the resources. Net assets are reported as restricted when the constraints placed upon the assets used are either (a) externally imposed by a grantor, contributor, laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

The net position that have been invested in capital assets are presented net of any related outstanding debt incurred to acquire them. For both years presented, there is no debt that has been subtracted from the capital assets amounts. Our policy is to acquire capital assets by paying cash and avoiding debt. This policy helps to assure us that decreases in the Council's future revenues won't impact its ability to provide a certain level of service to our clients and program participants.

The liability for compensated absences has not changed very much during the year. This liability represents what the Council would owe to its employees as of year-end for unused vacation leave. If employee vacation patterns are similar from year to year and if the number of employees remains about the same, then the amount owed at year-end will not change very much from year to year. This liability could adversely affect the Council's financial position if we were to have to lay off a significant portion of our workforce. This event would trigger the immediate payment of unused vacation to the terminated employees resulting in the Council having to use unrestricted net assets to make payments.

Other liabilities increased by \$1,447 this year. The primary reason for the increase is related to the Council's general operations. Sometimes the Council receives money from grants in advance before it spends the money. Under the terms of most of the Council's grants and contracts, the Council is not entitled to keep the money until it spends the money for an allowable purpose. Any money that has been received but not spent as of year-end must be presented as a liability in the Council's financial statements. Accordingly, if the Council does not spend the money by the time the grant or contract expires, it will have to refund the unused portion.

Lincoln Council on Aging, Inc.
Management's Discussion and Analysis
For the Year Ended June 30, 2014

Table 2 illustrates the revenues and expenses that caused the change in net position over the two-year period.

Table 2
Increase (Decrease) in Net Position

	2014	2013
Revenues		
Program Revenues:		
Charges for Services	\$ 19,475	\$ 20,382
Operating Grants and Contributions	424,205	444,033
Capital Grants and Contributions	-	-
General Revenues:		
Interest Income	213	601
Other General Revenues	14,952	17,451
Total Revenues	\$ 458,845	\$ 482,467
Direct Program Expenses for Health Welfare, and Social Services Function:		
Supportive Services:		
Homemaker	8,368	16,920
Information and Assistance	7,740	7,595
Legal Assistance	2,268	2,344
Outreach	1,388	1,466
Transportation	75,800	75,729
Nutrition Services:		
Congregate Meals	84,792	62,160
Home Delivered Meals	189,855	181,323
Outreach	381	429
Nutrition Education	761	825
Utility Assistance	2,052	560
Disease Prevention and Health Promotion	3,405	3,305
Caregiver Support	17,738	19,131
Direct Administration Expenses	101,301	104,183
Total Expenses	495,849	475,970
Increase (Decrease) in Net Position	\$ (37,004)	\$ 6,497

The Council's total revenues decreased by \$23,622 from last year. Total expenses increased by \$19,879 or 4.18% versus last year. The primary reason for the decrease in revenue relates to contributions last year and fewer units of service being provided. The small changes in the amounts and percentages of expenses from last year to this year indicate the Council did not obtain or lose any major sources of revenues, nor was it able to expand its revenue base. Generally, unless new sources of funds are found, or unless the amounts of the grants and contracts are raised, it is difficult for us to expand current levels of service or start new programs.

Lincoln Council on Aging, Inc.
Management's Discussion and Analysis
For the Year Ended June 30, 2014

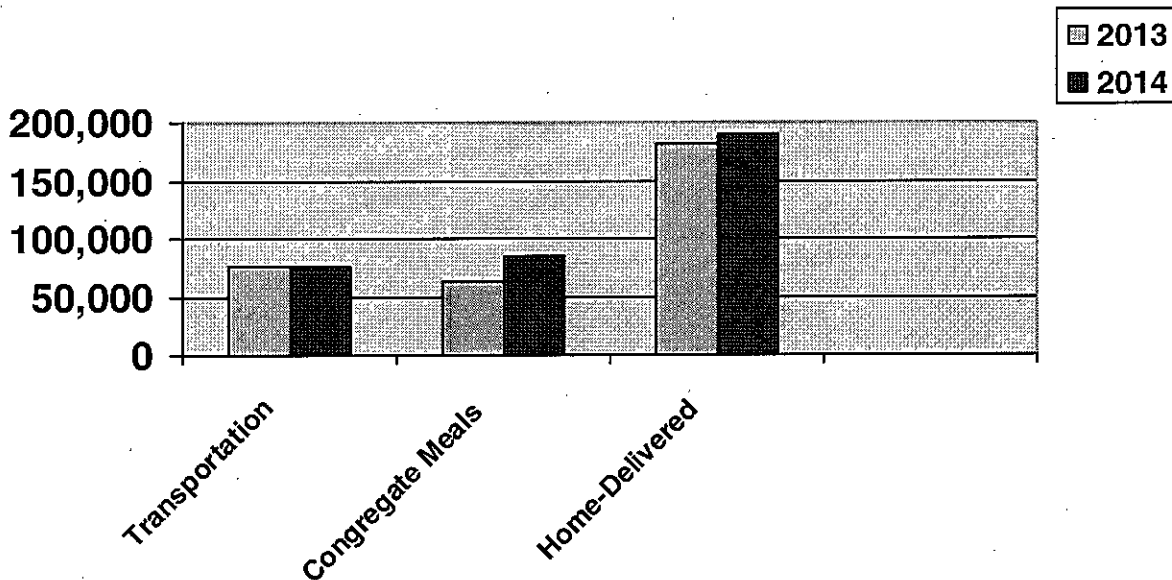
AN ANALYSIS OF GOVERNMENTAL ACTIVITIES

Most of the Council's activities are funded by federal, state, or local grants. These grants amount to approximately 92.45% of the revenues of the Council in 2014 and 92% in 2013. Some of these grants are restricted which means that the money can only be used in certain programs. The amount of funds available from most of the grants remains rather constant from year to year, however, some grant amounts may change based upon the level of service provided by the Council under the terms of the particular grant award.

The Council also receives donations from its clients and the general public. These revenues help to lessen the financial burden on the Council and allow it to maintain and expand services. Public support revenues represented 1.43% of the total revenues in 2013 and 7.96% in 2013.

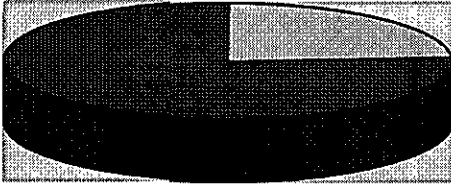
The Council invests idle funds and is able to earn some interest on this money each year. The investment earnings are used or accumulated as necessary to meet expenses each year.

When reviewing the Government-Wide Statement of Activities, there are relationships that are important to the understanding of the Council's operations. As you can see, the Council's largest activities are related to transportation and nutrition services. The Council's main focus is to meet the needs of the elderly citizens of Lincoln Parish. There is a high demand for these services; therefore, resources are channeled to meeting the demand.



You will also note that most of the governmental activities have more expenses than revenues. We expect this situation to occur and have prepared the Council's budgets for these activities with this in mind. Traditionally, general revenues are used to cover the excess of expenses over revenues in these activities.

**Lincoln Council on Aging, Inc.
Management's Discussion and Analysis
For the Year Ended June 30, 2014**



2014 Expenses by Type		
Administrative Expense	101,301	24%
Direct Expenses	326,289	76%
Total	427,590	



2013 Expenses by Type		
Administrative Expense	104,183	22%
Direct Expenses	371,658	78%
Total	475,970	

Another indication of how we are using money efficiently can be analyzed by comparing the amount of administration costs from year to year as well as calculating the percentage administration expenses bears in relation to total expenses. For 2014, total administrative expenses were \$101,301, or 24% of total expenses in comparison, total administration expenses for 2013 were \$106,657, or 22%.

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

Fund Balances

The Council showed a combined governmental fund balance of \$230,113 (as shown on the Fund Financial Statement's balance sheet at page 13) at the end of this year, which is a decrease of \$56,722 versus last year. However, when you look at the funds individually you will see the Special Revenue Funds had a combined fund balance decrease of \$21,782.

Revenues

The combined fund revenues decreased \$23,622 this year versus last year, or 4.9%.

Expenditures

Total expenditures increased by \$24,247 this year, or 5.39%.

- Meals expenditures increased by \$33,584 (25%) primarily due to an increase in the total cost meals served.
- Capital expenditures increased by \$2,042 (45%) due to the purchase of equipment.

Lincoln Council on Aging, Inc.
Management's Discussion and Analysis
For the Year Ended June 30, 2014

AN ANALYSIS OF THE GENERAL FUND BUDGET

Over the course of this past fiscal year the budget was not amended. The primary reasons for amending the budget are to account for unanticipated changes in both revenues and expenditures and to prevent compliance violations under the Council's grant from GOEA.

You can find schedules of the original and amended budgets for the General Fund in the *Supplementary Financial Information* Required by GASB Statement 34 section of this report on pages 33 to 39. When you review the budget versus actual schedule, you will note that the favorable and unfavorable variances are not very large. This is a result of the budget amendment process, which allows me the opportunity to use hindsight to adjust the forecast that it made at the beginning of one year. With only one month left in the fiscal year at the time the budget is amended, the risk of a significant budget overrun is reduced because of our ability to more accurately predict what will occur over a shorter period of time versus a longer period of time.

AN ANALYSIS OF CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of the year, the Council had \$485,607 in fixed assets net of accumulated depreciation. This amounted to a net decrease of \$21,238 over last year.

Table 4
Capital Assets, Net of Depreciation at Year End

	2014	2013
Vehicles, Furniture & Equipment	\$ 18,037	\$ 24,145
Buildings & Improvements	467,570	482,700
	<u>\$ 485,607</u>	<u>\$ 506,845</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Council receives most of its funding from federal and state agencies. Because of this, the source of income for the Council is rather steady. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council, and therefore, revenues may vary from year to year. In setting its budget for fiscal year 2015, it was important that we deliver at least the same level of service to our clients and the public as we did in 2014. All of the Council's grants and contracts from the usual federal and state agencies have been approved for FY 2015. There have been no significant changes to the funding levels or terms of the grants and contracts. Accordingly, we have set our initial budget to provide the same programs and levels of service next year. GOEA has also approved the Council's budget for next year. There are no plans to add any significant programs for next year.

CONTACTING THE COUNCIL'S MANAGEMENT

Our financial report is designed to provide government agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask more information, you should contact Michelle Wright, the Council's Executive Director, at the Council's main office located at 307 N. Homer Street, Ruston, LA, by phone (318) 255-5070, or by e-mail at mdwright@cox-internet.com.

BASIC FINANCIAL STATEMENTS

Lincoln Council on Aging, Inc.
Statement of Net Position
June 30, 2014

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 239,531
Capital Assets, net of accumulated Depreciation	485,607
Total Assets	\$ 725,138
Liabilities and Net Position	
Liabilities	
Accounts Payable	\$ -
Deferred Revenue	9,418
Total Liabilities	9,418
Net Position	
Invested in Capital Assets, Net of Related Debt	485,607
Restricted For:	
Utility Assistance	12,431
Nutritional Services	170,508
Unrestricted	47,174
Total Net Position	715,720
Total Liabilities and Net Position	\$ 725,138

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

Lincoln Council on Aging, Inc.
Statement of Activities
For The Year Ended June 30, 2014

	Total Direct Expenses	Indirect Expenses	Program Revenues			Net (Expense) Revenue and Increase (Decrease) in Net Assets
			Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Total Governmental Activities
Primary Government:						
Functions/Programs						
Governmental Activities:						
Health, Welfare & Social Services:						
Supportive Services:						
Homemaker	\$ 4,671	\$ 3,697	\$ -	\$ -	\$ 5,327	\$ (3,041)
Information and Assistance	5,052	2,688	-	-	4,930	(2,810)
Legal Assistance	2,268	-	-	-	1,444	(824)
Outreach	716	672	-	-	884	(504)
Transportation	49,253	26,547	2,112	-	48,277	(25,411)
Nutritional Services:						
Congregate Meals	76,509	8,283	10,355	-	74,728	291
Home Delivered Meals	163,707	26,148	7,008	-	170,603	(12,244)
Outreach	286	95	-	-	233	(148)
Nutrition Education	632	129	-	-	467	(294)
Utility Assistance	2,052	-	-	-	-	(2,052)
Disease Prevention and Health Promotion:						
Medication Management	-	-	-	-	-	-
Wellness	3,405	-	-	-	3,397	(8)
National Family Caregiver Support:						
Respite Care	14,283	-	-	-	14,283	-
Information and Assistance	120	-	-	-	120	-
Personal Care	3,335	-	-	-	3,335	-
Administration	101,301	-	-	-	58,677	(42,624)
Total Governmental Activities	\$ 427,590	\$ 68,259	\$ 19,475	\$ -	\$ 386,705	\$ (89,669)

General Revenues:

Grants and Contributions not restricted to specific programs	37,500
Unrestricted Investment Earnings	213
Miscellaneous	14,952
Total General Revenues, Special Items, and Transfers	52,665
Changes in Net Position	(37,004)
Net Position - Beginning	793,680
Prior Period Adjustment	(40,956)
Net Position - Ending	\$ 715,720

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

Lincoln Council on Aging, Inc.
Balance Sheet
Governmental Funds
June 30, 2014

	<u>General Fund</u>	<u>Title III-B</u>	<u>Title III-C-1</u>	<u>Title III-C-2</u>
Assets				
Cash and Cash Equivalents	\$ 61,589	\$ -	\$ -	\$ -
Grants and Contracts Receivable	-	-	-	-
Due From Other Funds	-	-	-	-
Total Assets	<u>\$ 61,589</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Advances From Funding Agencies	9,418	-	-	-
Due to Other Funds	4,997	-	-	-
Total Liabilities	<u>14,415</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable:				
Prepaid Expenditures				
Restricted For:				
Senior Citizen Activities				
Nutritional Services				
Utility Assistance/Weatherization				
Assigned To:				
Unassigned	47,174	-	-	-
Total Fund Balances	<u>47,174</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 61,589</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Amounts reported for *Governmental Activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds

Net Position of Governmental Activities

<u>NSIP USDA</u>	<u>Senior Center</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
\$ 165,511	\$ -	\$ 12,431	\$ 239,531
-	-	-	-
4,997	-	-	4,997
<u>\$ 170,508</u>	<u>\$ -</u>	<u>\$ 12,431</u>	<u>\$ 244,528</u>

\$ -	\$ -	\$ -	\$ -
-	-	-	9,418
-	-	-	4,997
<u>-</u>	<u>-</u>	<u>-</u>	<u>14,415</u>

170,508			170,508
-		12,431	12,431
-		-	-
-		-	47,174
<u>170,508</u>	<u>-</u>	<u>12,431</u>	<u>230,113</u>
<u>\$ 170,508</u>	<u>\$ -</u>	<u>\$ 12,431</u>	

485,607.

\$ 715,720

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

Lincoln Council on Aging, Inc.
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2014

<u>Revenues</u>	General Fund	Title III-B	Title III-C-1	Title III-C-2	NSIP USDA	Senior Center
Intergovernmental:						
Governor's Office of Elderly Affairs (GOEA)	\$ 37,500	\$ 60,862	\$ 52,381	\$ 117,236	\$ 29,379	\$ 54,522
Public Support (Restricted)						
Entergy	-	-	-	-	-	-
United Way	-	-	-	27,300	-	-
Other Donors	-	-	-	-	-	-
Public Support (Unrestricted)						
Other General Public	6,556	-	-	-	-	-
Program Service Fees (Charges for services)						
Transportation	-	2,112	-	-	-	-
Meals	-	-	10,355	7,008	-	-
Other Services	-	-	-	-	-	-
Interest Earned	29	-	-	-	179	-
Miscellaneous	8,396	-	-	-	-	-
Total Revenues	<u>52,481</u>	<u>62,974</u>	<u>62,736</u>	<u>151,544</u>	<u>29,558</u>	<u>54,522</u>
Expenditures						
Health, Welfare & Social Services						
Personnel	-	57,149	19,559	52,566	-	30,119
Fringe	-	4,455	1,534	4,147	-	2,364
Travel	263	1,073	76	7,402	-	424
Operating Services	1,392	22,351	3,923	12,673	-	10,884
Operating Supplies	145	9,871	167	8,066	-	4,183
Other Costs	-	665	165	527	-	-
Meals	-	-	60,118	104,865	-	-
Utility Assistance	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	6,548
Total Expenditures	<u>1,800</u>	<u>95,564</u>	<u>85,542</u>	<u>190,246</u>	<u>-</u>	<u>54,522</u>
Excess of Revenues over Expenditures	<u>50,681</u>	<u>(32,590)</u>	<u>(22,806)</u>	<u>(38,702)</u>	<u>29,558</u>	<u>-</u>
Other Financing Sources (Uses)						
Operating Transfers - In	179	32,590	22,806	38,702	-	-
Operating Transfers - Out	(44,844)	-	-	-	(49,293)	-
Total Other Financing Sources (Uses)	<u>(44,665)</u>	<u>32,590</u>	<u>22,806</u>	<u>38,702</u>	<u>(49,293)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>6,016</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,735)</u>	<u>-</u>
Fund Balances, Beginning of Year	82,114	-	-	-	190,243	-
Prior Period Adjustment	(40,956)	-	-	-	-	-
Fund Balances, End of Year	<u>\$ 47,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,508</u>	<u>\$ -</u>

Net Changes in Fund Balances - Total Governmental Funds

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

- Depreciation Expense
- Capital asset purchases capitalized

Changes in Net Position in Governmental Activities

<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
\$ 45,025	\$ 396,905
-	-
-	27,300
-	-
-	6,556
-	2,112
-	17,363
-	-
5	213
-	8,396
<u>45,030</u>	<u>458,845</u>

11,524	170,917
891	13,391
200	9,438
31,470	82,693
363	22,795
437	1,794
-	164,983
2,052	2,052
-	6,548
<u>46,937</u>	<u>474,611</u>
<u>(1,907)</u>	<u>(15,766)</u>

2,960	97,237
<u>(3,100)</u>	<u>(97,237)</u>
<u>(140)</u>	<u>-</u>

<u>(2,047)</u>	<u>(15,766)</u>
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14,478

\$ 12,431

(15,766)

(27,786)

6,548

(21,238)

\$ (37,004)

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

Lincoln Council on Aging, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

NOTE 1 – Purpose of the Council on Aging and Summary of Significant Accounting Policies

The accounting and reporting policies of the Lincoln 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 Lincoln Parish; to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States; to interpret its findings to the citizens of the parish and state; to provide for the mutual exchange of ideas and information on the parish and state level; to conduct public meetings to make recommendations for needed improvements and additional resources; to promote the welfare of aging people; to coordinate and monitor services of other local agencies serving the aging people of the parish; to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA) 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 Lincoln Parish include providing congregate and home delivered meals, nutrition education, information and assistance, outreach, material aid, home repairs, utility assistance, personal care, homemakers, recreation, legal assistance, disease prevention, health promotion, and transportation.

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 the Governor's Office of Elderly Affairs pursuant to 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.

Lincoln Council on Aging, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

The Lincoln Council on Aging, Inc. is a legally separate, non-profit, quasi-public corporation. The Council incorporated under the provisions of Title 12 Chapter 2 of the Louisiana Revised Statutes and received its charter from the Governor of the State of Louisiana and began operations on November 1, 1974.

A board of directors, consisting of 15 voluntary members, who serve three-year terms, governs the Council. The board of directors is comprised of, but not limited to, representatives of the Parish's elderly population, general public, private businesses, and elected public officials. Board members are elected in the following manner:

- Ten members shall be appointed by the Lincoln Parish Police Jury to represent the elderly population in their respective districts.
- Two members shall be appointed by agencies that serve the elderly (one from the Social Security Administration and one from the Department of Social Services or Department of Health and Human Resources.
- Three at-large members from throughout Lincoln Parish shall be elected by the general membership at the Council's annual meeting.

Although the Lincoln Parish Police Jury appoints a voting majority of the Council's board, the Lincoln Parish Police Jury does not intend to impose its will to affect the operations of the Council. Further, the Lincoln Parish Police only provides the Council about 1% of its total annual revenues (not including any pass-through DOTD funds from FTA) and does not assume any specific financial burdens of the Council. As a result, the Council is not a component unit of the Lincoln Parish Police Jury.

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

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

c. Basis of Presentation of Statements 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.

Lincoln Council on Aging, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

d. Basic Financial Statements – Government-Wide Statements

The Council's basic financial statements include both Government-Wide (reporting the Council as a whole) and fund financial statements (reporting the Council's major funds). Both the Government-Wide and Fund Financial Statements categorize primary activities as either governmental or business type. The Council's functions and programs have been classified as governmental activities. The Council does not have any business-type activities, fiduciary funds, or any component units that are fiduciary in nature. Accordingly, the Government-Wide financial statements do not include any of these activities or funds.

In the Government-Wide Statement of Net Assets, the governmental type activities column (a) is presented on a consolidated basis by column, (b) recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Invested in capital assets, net of related debt accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowing that are attributable to the acquisition, construction, or improvement of those capital assets. Restricted net assets consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Unrestricted net assets include all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

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

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

Lincoln Council on Aging, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

Council pay for a portion of its indirect costs. As a result, only the indirect costs in excess of the GOEA funds are allocated to the Council's other functions and programs.

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

e. Basic Financial Statements – Government-Wide Statements

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

The Council uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the primary operating fund of the council or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type.

Governmental fund equity is called the fund balance. Fund balance is further classified as reserved and unreserved, with unreserved being further split into designated and undesignated. Reserved means that the fund balance is not available for expenditure because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets that makes them only available to meet future obligations. Designated fund balances result when management tentatively sets aside amounts to reserve fund balances. Designated amounts can be changed at the discretion of management.

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

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

The following types of programs comprise the Council's General Funds:

Other Local

Revenues, such as, (1) donations from the general public, (2) income from various fund raisers (3) interest income earned on idle funds which have been invested, have been recorded in the "other local" program of the General Fund. Expenses incurred, which are not chargeable to specific programs, are recorded as "other local" program expenditures. Also, expenses incurred to produce related program service fees and fund raising income are charged as "other local" program expenditures. "Other local" funds are also used as transfers

Lincoln Council on Aging, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

to special revenue funds to supplement those programs. In addition, fixed asset additions are generally paid with "other local" funds.

Senior Activities

The participants at the Council's Senior Center generate public support through activities to help offset the cost of operating these centers as well as to raise funds for activities that are not paid for through the grants from the Governor's Office of Elderly Affairs. The types of activities used to raise these funds consist of craft sales, raffles, dances, and refreshment sales. There is no restriction on how the net proceeds of these activities are used. However, any expenses paid by the Council to assist the senior citizens in producing revenues for their activities must be reimbursed to the Council by the senior citizens from the revenues they generate.

PCOA (ACT 735)

PCOA (ACT 735) 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 the "Act 735" funds at its discretion provided the program is benefiting people who are at least 60 years old.

Local Transportation

The Council also provides transportation services to local agencies for a fee. These program service fees and their related costs are accounted for within the "local transportation" program of the General Fund.

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

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

Major Special Revenue Funds

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

Lincoln Council on Aging, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

	<u>Units</u>
Information and Assistance	192
Outreach	94
Homemaker	347
Transportation for people Age 60 or older	6894
Legal	93
Utility Assistance	0

The Title III C-1 Fund used to account for funds that are used to provide nutritional, congregate meals to the elderly at meal sites located in Ruston and Dubach areas. During the year the Council served 18,211 meals to people eligible to participate in this program. In addition to the meals serviced, the Council also provided 73 units of nutritional education to eligible participants.

The Title III C-2 Fund is used to account for funds that are used to provide nutritional meals to homebound older persons. Using Title III C-2 funds the Council served 32,961 meals during the year to people eligible to participate in this program.

The Title III – E fund is used to account for National Family Caregiver Support Program (NFCSB) funds used to provide multi-faceted older individuals who are relative caregivers. NFCSB Caregiver Services include (1) 6 units of information about services/education, (2) 7 units of assistance with access to services, (3) counseling/support groups, (4) 953 units of respite care, (5) supplemental services including material aid, personal care and sitter services. 262 units of personal care services were provided during the fiscal year.

The N.S.I.P. Fund is used to account for the administration of Nutrition Program for Elderly funds provided by the United States Department of Agriculture through the *Governor's Office of Elderly Affairs*, which in turn "passes through" the funds to the Council. For the period July 1 to September 30, 2000, the Council received reimbursements from GOEA on a per unit basis (about 55 cents/meal) for each congregate and home-delivered meal served to an eligible participant. Beginning October 1, 2000, GOEA began distributing USDA funds to each parish council on aging in Louisiana based on how many meals each council on aging served in the previous year in relation to the total meals served statewide by all councils. The primary purpose of the USDA reimbursement is to provide money to the Council so that United States food and commodities may be purchased to supplement nutrition programs.

Non-Major Special Revenue Funds

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

Lincoln Council on Aging, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

The Title III D Fund is used to account for funds used for disease prevention and health promotion activities. During the year 153 units of wellness service were provided to eligible participants in this program.

The Senior Center Fund is used to account for administration of Senior Center program funds appropriated by the Louisiana Legislature to GOEA, which in turn "passes through" the funds to the Council. The purpose of this program is to provide a community service center at which elderly people can receive supportive social services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The senior centers for Lincoln parish are located in Ruston and Dubach. Senior Center funds can be used at Council's programs that benefit the elderly. Accordingly, during the fiscal year, the Senior Center fund transferred a portion of its grant revenue to the Title III B Fund to subsidize that program's cost of providing supportive services to elderly persons who use the center. 9,756 units of recreation were provided.

The Utility Assistance Fund is used to account for the administration of utility assistance programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging to provided assistance to the elderly for the payment of utility bills. The Council receives its Project Care donations directly from Entergy Corporation. Entergy Helping Hands donations are provided through the Louisiana Association of Councils on Aging, Inc. (East Baton Rouge COA). During the year, the Council was able to provide 0 units of service with these funds.

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

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

The Title III – E fund is used to account for National Family Caregiver Support Program (NFCSB) funds used to provide a multi-faceted system of support services for family caregivers and for grandparents or older individuals who are relative caregivers. NFCSP Caregiver Services include (1) information about services/education, (2) assistance with access to services, (3) counseling/support groups, (4) respite care, (5) supplemental services including material aid, personal care and sitter services.

During the year, the Council was able to provide 1,222 units of service with these funds.

Lincoln Council on Aging, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

f. Measurement Focus and Basis of Accounting:

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

1. Accrual Basis – Government-Wide Financial Statements (GWFS):

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

2. Modified Accrual Basis – Fund Financial Statements (FFS):

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. “Measurable” means the amount of the transactions can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Council considers all revenues “available if they are collected within 60 days after year-end. Expenditures are generally recorded under modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principle and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

g. Interfund Activity

Interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. All other interfund transactions are treated as transfers. Transfers represent a permanent reallocation of resources between funds. Transfers between funds are netted against one another as part of the reconciliation of the change in fund balances in the fund financial statements to the change in net assets in the Government-Wide Financial Statements.

h. Cash and Cash Equivalents:

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

Lincoln Council on Aging, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

i. Investments:

GASB Statement 31 requires the Council to report its investments at fair value, except for investments in non-participating interest-earning contracts, such as non-negotiable certificates of deposit with *redemption terms that do not consider market rates*. This type of investment is reported using cost-based measure, provided that the fair market value of the contract is not significantly affected by the impairment of the credit standing of the issuer or other factors.

Investments that included securities traded on a national or international exchange are valued based on their last reported sales price. Investments that do not have an established market are reported at estimated fair value.

j. Prepaid Expenses/Expenditures:

Prepaid expenses include amounts paid for services in advance. These are shown as assets on the Government-Wide Statement of Net Assets. In the Fund Financial Statements, the Council has elected not to include amounts paid for future services as expenditures until those services are consumed to comply with the cost reimbursement terms of grant agreements. 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 expenditures. At the year-end, there were not any prepaid expenses.

k. Capital Assets:

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased or acquired with an original cost of at least \$1,000 and that have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Assets. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the assets. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded as its estimated fair market value at the date of donation.

For capital assets recorded in the Government-Wide Financial Statements, depreciation is computed and recorded using the straight-line method for the asset's estimated useful life. The estimated useful lives of various classes of depreciable capital assets are as follows:

Buildings	40 years
Building Improvements	20 years
Equipment	5-7 years
Vehicles	5 years

Lincoln Council on Aging, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

Salvage values have not been estimated by management when calculating how much of an asset's cost needs to be depreciated except for vehicles. For that category of capital asset, management has used 10% of the vehicle's initial cost as a salvage value estimate.

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

i. Unpaid Compensated Absences:

The Council's policies for vacation time permit employees to accumulate earned but unused vacation leave. Accordingly, a liability for the unpaid vacation leave has been recorded in the Government-Wide Statements. Management has estimated the current and long-term portions of this liability based on historical trends. The amount accrued as the compensated absence liability was determined using the number of vested vacation hours for each employee multiplied by the employee's wage rate in effect at the end of the year. An amount is added to this total for social security and medicare taxes.

In contrast, the governmental funds in the Fund Financial Statements report only compensated absence liabilities that are payable from expendable available financial resources to the extent that the liabilities mature (or come due for payment). Vacation leave does not come due for payment until an employee makes a request to use it or terminates employment with the Council. Accordingly, no amounts have been accrued as fund liabilities as of year-end in the Fund Financial Statements. The differences in the methods of accruing compensated absences creates a reconciling item between the fund and government-wide financial statement presentations.

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

m. Allocation of Indirect Expenses:

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

n. Management's Use of Estimates:

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

Lincoln Council on Aging, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

o. 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. Certain amounts relating to prior year balances have been reclassified in the accompanying financial statements in order to conform with current year presentation.

p. Deferred Revenues

The Council reports deferred revenues on its Statement of Net Assets and on 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 combined balance sheet and the revenue is recognized.

q. Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

r. Budget Policy

The Council used the following procedures to derive in the budgetary data, which has been presented on pages 32-38 of these financial statements.

NOTE 2 -- Revenue Recognition

Revenues are recoded in the Government-Wide Statements when they are earned under the accrual basis of accounting.

Revenues are recorded in the Fund Financial Statements using the modified accrual basis of accounting. In applying the susceptible to accrual concept using this basis of accounting, intergovernmental grant revenues, program service fees, and interest income are usually both measurable and available. However, 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.

Lincoln Council on Aging, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

NOTE 3 – Cash

Custodial credit risk – deposits. The Council's cash and certificates of deposit consist of deposits with financial institutions. State statutes govern the Council's investment policy.

Permissible investments include direct obligations of the U.S. Government and agency securities, certificates of deposit, and savings accounts or savings certificates of savings and loan associations and repurchase agreements. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates the local government investment pool. Collateral is required for demand deposits, certificates of deposit, savings certificates of savings and loan associations and repurchase agreements at 100% of all amounts not covered by deposit insurance. Obligations that may be pledged as collateral are obligations of the United States government and its agencies and obligations of the state and its subdivisions. Per Louisiana State law, collateral is not required for funds invested in LAMP.

The following is a schedule of the Council's cash and certificates of deposit at June 30, 2014. Differences between the Council's balances and the bank balances arise because of the net effect of deposits-in-transit and outstanding checks.

	<u>Book Balance</u>	<u>Bank Balance</u>
Cash on Deposit	<u>\$ 239,531</u>	<u>\$ 307,549</u>

The Council's deposits are collateralized as follows:

FDIC Insured Deposits	\$ 307,549
Uninsured Deposits:	
Collateralized	-
Total Deposits	<u>\$ 307,549</u>

Credit risk. The Council's only investments are the certificates of deposit mentioned above, therefore the Council is exposed to no credit risk.

Concentration of credit risk. The Council does not limit the amount that may be invested in securities of any one issuer. Applicable state statutes do not place limits on credit concentration.

Interest rate risk. The Council manages its exposure to declines in fair values by limiting the maturity of its investments to not longer than one year.

Lincoln Council on Aging, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

NOTE 4 – Government Grants and Contracts Receivable

Government grants and contracts receivable represent amount owed to the Council under a grant award or contract with a provider of federal, state, or local funds; such amount being measurable and available as of year-end.

Government grants and contracts receivable at year-end, consist of reimbursements for expenses incurred under the following programs:

Program	Fund	Funding Agency	Amount
None			\$ -0-
Total government grants and contracts receivable			\$ -0-

NOTE 5 – Changes in Capital Assets

A summary of changes in capital assets is as follows:

Capital Assets	Balance 06-30-13	Increases	Decreases	Balance 06-30-14
Vehicles	\$ 172,606	\$ -	\$ -	\$ 172,606
Furniture and Equipment	117,613	6,548	-	124,161
Building & Improvements	532,706	-	-	532,706
Subtotal	822,925	6,548	-	829,473
Accumulated Depreciation:				
Vehicles	159,111	-	9,525	168,636
Furniture & Equipment	106,964	-	3,131	110,095
Buildings & Improvements	50,006	-	15,130	65,136
Subtotal	316,081	-	27,786	343,867
Net Capital Assets	\$ 506,844	\$ 6,548	\$ 27,786	\$ 485,606

Depreciation was charged to governmental activities as follows:

Administration	\$ 15,130
Nutrition Services:	
Home Delivered Meals	1,033
Supportive Services:	
Wellness & Recreation (Non-priority services)	2,098
Transportation	9,525
Total depreciation expense for Governmental activities	\$ 27,786

Lincoln Council on Aging, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

NOTE 6 – Deferred Revenue

A summary of the Council’s deferred revenue is as follows at year-end:

<u>Program</u>	<u>Fund</u>	<u>Provider</u>	<u>Amount</u>
Homemaker	Title IIIB	GOEA	\$ 7,344
Senior Center	Senior Center	GOEA	1,067
Caregiver	Title IIIE	GOEA	1,007
Totals			<u>\$ 9,418</u>

The programs listed above have unearned revenues for this fiscal year because insufficient units of service provided. Accordingly, the money will have to be returned to GOEA.

NOTE 7 – Board of Director’s Compensation

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

NOTE 8 – In-Kind Contributions

The Council received \$4,800 in various in-kind contributions during the year, which have been valued at their estimated fair market value, and presented in this report as revenue. Related expenditures, equal to the in-kind revenues, have also been presented, thereby producing no effect on net income (loss) in the governmental fund types.

The primary in-kind contributions consisted of free rent for two meal sites and office.

A summary of the in-kind contributions and their respective values is as follows:

<u>Program</u>	<u>Amount</u>
Facility Rentals	\$ 4,800
Total In-Kind Contributions	<u>\$ 4,800</u>

NOTE 9 – Income Status

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

Lincoln Council on Aging, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

NOTE 10 – Lease and Rental Commitments

The Council leases a copy machine for \$223 per month. The lease operates on a month-to-month basis. Total rent expenditures/ expenses of \$2,676, have been included in these financial statements.

NOTE 11 – Judgment, Claims, and Similar Contingencies

There is no litigation pending against the Council as of year-end. The Council's management believes that any potential lawsuits would be adequately covered by insurance or resolved without any material impact upon the Council's financial statements.

NOTE 12 – 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 significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Council.

NOTE 13 – Economic Dependency

The Council receives the majority of its revenues from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs (GOEA) and the Louisiana Department of Transportation and Development (DOTD). The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the next fiscal year.

NOTE 14 – Interfund Receivables and Payables

Because the Council operates most of its programs under cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced cost under the grant programs. Such advances create short-term interfund loans.

Lincoln Council on Aging, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

NOTE 15 – 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; job related illnesses or injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. No settlements were made during the year that exceeded the Council's insurance coverage.

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

NOTE 16 – Interfund Transfers

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

	Funds Transferred From:			Totals To
	<u>General</u>	<u>NSIP</u>	<u>Supplemental Senior Center</u>	
Transfer To:				
General	-	179	-	179
AAA	2,952	-	-	2,952
III B	32,590	-	-	32,590
III C1	-	22,806	-	22,806
III C2	9,294	26,308	3,100	38,702
III D	8	-	-	8
Senior Center	-	-	-	-
Totals From	44,844	49,293	3,100	97,237

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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

NOTE 17 - Subsequent Events

Date of Management Evaluation

Management has evaluated subsequent events through January 13, 2015, the date on which the financial statements were available to be issued.

Lincoln Council on Aging, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

NOTE 18 - Uncertain Tax Positions

The provisions of FASB Interpretation No. 48 (FIN 48) were adopted by the organization on July 1, 2009. The adoption of FIN 48 did not result in any changes to net assets or deferred income tax liabilities.

Accrued interest and penalties associated with uncertain tax positions are included as a component of the provision for income taxes. There were no unrecognized tax benefits at July 1, 2009. For the fiscal year ended June 30, 2013, there were no unrecognized tax benefits, or accrued interest and penalties.

The company files Form 990, an informational tax return in the U.S. federal tax jurisdiction. Federal tax returns prior to 2010 are closed.

REQUIRED SUPPLEMENTARY INFORMATION

Lincoln Council on Aging, Inc.
Budgetary Comparison Schedule – General Fund
For The Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	GAAP Basis	Favorable (Unfavorable)
Revenues				
Intergovernmental:				
Governor's Office of Elderly Affairs:				
PCOA	\$ 37,500	\$ 37,500	\$ 37,500	\$ -
Public Support	5,804	5,804	6,556	752
Investment Income	-	-	29	29
Miscellaneous	-	-	8,396	8,396
Total Revenues	43,304	43,304	52,481	9,177
Expenditures				
Current:				
Personnel	-	-	-	-
Fringe	-	-	-	-
Travel	-	-	263	(263)
Operating Services	-	-	1,392	(1,392)
Operating Supplies	-	-	145	(145)
Other Costs	-	-	-	-
Full Service Contracts	-	-	-	-
Audit Fees	-	-	-	-
Meals	-	-	-	-
Utility Assistance	-	-	-	-
Capital Outlays	-	-	-	-
Total Expenditures	-	-	1,800	(1,800)
Excess (deficiency) of Revenues over Expenditures	43,304	43,304	50,681	7,377
Other Financing Sources (Uses)				
Transfers In	-	-	179	179
Transfers Out	(37,500)	(37,500)	(44,844)	7,344
Total Other Financing Sources (Uses)	(37,500)	(37,500)	(44,665)	7,523
Net increase (decrease) in fund balances	5,804	5,804	6,016	(146)
Fund Balances, Beginning of Year	19,197	19,197	82,114	(62,917)
Prior Period Adjustment	(40,956)	(40,956)	(40,956)	
Fund Balances, End of Year	\$ (15,955)	\$ (15,955)	\$ 47,174	\$ (63,063)

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

Lincoln Council on Aging, Inc.
Budgetary Comparison Schedule – Title III B Fund
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Favorable</u>
				<u>(Unfavorable)</u>
Revenues				
Intergovernmental				
Governor's Office of Elderly Affairs	\$ 68,206	\$ 68,206	\$ 60,862	\$ (7,344)
Public Support	1,800	1,800	2,112	312
Total Revenues	<u>70,006</u>	<u>70,006</u>	<u>62,974</u>	<u>(7,032)</u>
Expenditures				
Current:				
Personnel	67,906	67,906	57,149	10,757
Fringe	5,309	5,309	4,455	854
Travel	4,370	4,370	1,073	3,297
Operating Services	17,741	17,741	22,351	(4,610)
Operating Supplies	9,025	9,025	9,871	(846)
Other Costs	2,570	2,570	665	1,905
Full Service Contracts	-	-	-	-
Meals	-	-	-	-
Utility Assistance	-	-	-	-
Capital Outlays	-	-	-	-
Total Expenditures	<u>106,921</u>	<u>106,921</u>	<u>95,564</u>	<u>11,357</u>
Excess (deficiency) of Revenues over Expenditures	<u>(36,915)</u>	<u>(36,915)</u>	<u>(32,590)</u>	<u>4,325</u>
Other Financing Sources (Uses)				
Transfers In	-	-	32,590	32,590
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>32,590</u>	<u>32,590</u>
Net increase (decrease) in fund balances	<u>(36,915)</u>	<u>(36,915)</u>	<u>-</u>	<u>36,915</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ (36,915)</u>	<u>\$ (36,915)</u>	<u>\$ -</u>	<u>\$ 36,915</u>

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

Lincoln Council on Aging, Inc.
Budgetary Comparison Schedule – Title III C-1 Fund
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Favorable</u>
				<u>(Unfavorable)</u>
Revenues				
<hr/>				
Intergovernmental				
Governor's Office of Elderly Affairs	\$ 52,381	\$ 52,381	\$ 52,381	\$ -
Public Support	10,800	10,800	10,355	(445)
In-Kind Resources	1,200	1,200	1,200	-
Total Revenues	<u>64,381</u>	<u>64,381</u>	<u>63,936</u>	<u>(445)</u>
<hr/>				
Expenditures				
<hr/>				
Current:				
Personnel	21,595	21,595	19,559	2,036
Fringe	1,689	1,689	1,534	155
Travel	57	57	76	(19)
Operating Services	3,523	3,523	3,923	(400)
Operating Supplies	110	110	167	(57)
Other Costs	-	-	165	(165)
Full Service Contracts	-	-	-	-
Meals	47,628	47,628	60,118	(12,490)
Utility Assistance	-	-	-	-
Capital Outlays	-	-	-	-
In-Kind Resources	1,200	1,200	1,200	-
Total Expenditures	<u>75,802</u>	<u>75,802</u>	<u>86,742</u>	<u>(10,940)</u>
Excess (deficiency) of Revenues over Expenditures	<u>(11,421)</u>	<u>(11,421)</u>	<u>(22,806)</u>	<u>(11,385)</u>
<hr/>				
Other Financing Sources (Uses)				
Transfers In	11,421	11,421	22,806	11,385
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>11,421</u>	<u>11,421</u>	<u>22,806</u>	<u>11,385</u>
Net increase (decrease) in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Lincoln Council on Aging, Inc.
Budgetary Comparison Schedule – Title III C-2 Fund
For The Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	GAAP Basis	Favorable (Unfavorable)
Revenues				
Intergovernmental				
Governor's Office of Elderly Affairs	\$ 117,236	\$ 117,236	\$ 117,236	\$ -
United Way	27,000	27,000	27,300	300
Program Service Fees	8,400	8,400	7,008	(1,392)
Total Revenues	152,636	152,636	151,544	(1,092)
Expenditures				
Current:				
Personnel	56,004	56,004	52,566	3,438
Fringe	4,380	4,380	4,147	233
Travel	7,534	7,534	7,402	132
Operating Services	11,816	11,816	12,673	(857)
Operating Supplies	7,756	7,756	8,066	(310)
Other Costs	-	-	527	(527)
Full Service Contracts	-	-	-	-
Meals	85,843	85,843	104,865	(19,022)
Utility Assistance	-	-	-	-
Capital Outlays	-	-	-	-
Total Expenditures	173,333	173,333	190,246	(16,913)
Excess (deficiency) of Revenues over Expenditures	(20,697)	(20,697)	(38,702)	(18,005)
Other Financing Sources (Uses)				
Transfers In	20,697	20,697	38,702	18,005
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	20,697	20,697	38,702	18,005
Net increase (decrease) in fund balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -

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

Lincoln Council on Aging, Inc.
Budgetary Comparison Schedule – NSIP Fund
For The Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	GAAP Basis	Favorable (Unfavorable)
Revenues				
Intergovernmental				
Governor's Office of Elderly Affairs	\$ 27,117	\$ 27,117	\$ 29,379	\$ (2,262)
Public Support	-	-	-	-
Interest Earned	-	-	179	179
Total Revenues	<u>27,117</u>	<u>27,117</u>	<u>29,558</u>	<u>(2,083)</u>
Expenditures				
Current:				
Personnel	-	-	-	-
Fringe	-	-	-	-
Travel	-	-	-	-
Operating Services	-	-	-	-
Operating Supplies	-	-	-	-
Other Costs	-	-	-	-
Full Service Contracts	-	-	-	-
Meals	-	-	-	-
Utility Assistance	-	-	-	-
Capital Outlays	-	-	-	-
Inkind	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of Revenues over Expenditures	<u>27,117</u>	<u>27,117</u>	<u>29,558</u>	<u>(2,083)</u>
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	<u>(27,117)</u>	<u>(27,117)</u>	<u>(49,293)</u>	<u>(22,176)</u>
Total Other Financing Sources (Uses)	<u>(27,117)</u>	<u>(27,117)</u>	<u>(49,293)</u>	<u>(22,176)</u>
Net increase (decrease) in fund balances	-	-	(19,735)	(24,259)
Fund Balances, Beginning of Year	<u>190,243</u>	<u>190,243</u>	<u>190,243</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 190,243</u>	<u>\$ 190,243</u>	<u>\$ 170,508</u>	<u>\$ (24,259)</u>

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

Lincoln Council on Aging, Inc.
Budgetary Comparison Schedule – Senior Center Fund
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Favorable</u>
				<u>(Unfavorable)</u>
Revenues				
Intergovernmental				
Governor's Office of Elderly Affairs	\$ 47,776	\$ 47,776	\$ 54,522	\$ 6,746
Public Support	-	-	-	-
In-Kind Resources	3,600	3,600	3,600	-
Total Revenues	<u>51,376</u>	<u>51,376</u>	<u>58,122</u>	<u>6,746</u>
Expenditures				
Current:				
Personnel	32,759	32,759	30,119	2,640
Fringe	2,562	2,562	2,364	198
Travel	103	103	424	(321)
Operating Services	11,000	11,000	10,884	116
Operating Supplies	2,600	2,600	4,183	(1,583)
Other Costs	142	142	-	142
Full Service Contracts	-	-	-	-
Meals	-	-	-	-
Utility Assistance	-	-	-	-
Capital Outlays	-	-	6,548	(6,548)
In-Kind Resources	3,600	3,600	3,600	-
Total Expenditures	<u>52,766</u>	<u>52,766</u>	<u>58,122</u>	<u>(5,356)</u>
Excess (deficiency) of Revenues over Expenditures	<u>(1,390)</u>	<u>(1,390)</u>	<u>-</u>	<u>12,102</u>
Other Financing Sources (Uses)				
Transfers In	1,390	1,390	-	(1,390)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,390</u>	<u>1,390</u>	<u>-</u>	<u>(1,390)</u>
Net increase (decrease) in fund balances	-	-	-	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Lincoln Council on Aging, Inc.
Notes to Budgetary Comparison Schedules
For The Year Ended June 30, 2014

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

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

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

The Board of Directors reviews and adopts the budget before June 30th of the current year for the next year.

The adopted budget is forwarded to the Governor's Office of Elderly Affairs for final approval.

All budgetary appropriations lapse at the end of the fiscal year.

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

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 prior approval for the Governor's Office of Elderly Affairs for funds received under grants from this state agency.

Expenditures cannot legally exceed appropriations on an individual level.

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

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA

Lincoln Council on Aging, Inc.
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For The Year Ended June 30, 2014

<u>Revenues</u>	<u>Title III-E</u>	<u>Title III-C - AAA</u>	<u>Title III-D</u>
Intergovernmental:			
Governor's Office of Elderly Affairs (GOEA)	\$ 17,738	\$ 19,101	\$ 3,397
United Way of America	-	-	-
Public Support (Restricted)			
Entergy	-	-	-
Client Contributions	-	-	-
Other Donors	-	-	-
Public Support (Unrestricted)			
United Way	-	-	-
Other General Public	-	-	-
Program Service Fees (Charges for services)			
Transportation	-	-	-
Other Services	-	-	-
Interest Earned	-	-	-
Total Revenues	<u>17,738</u>	<u>19,101</u>	<u>3,397</u>
<u>Expenditures</u>			
Health, Welfare & Social Services			
Personnel	-	11,524	-
Fringe	-	891	-
Travel	-	200	-
Operating Services	17,738	8,646	3,397
Operating Supplies	-	355	8
Other Costs	-	437	-
Full Service Contracts	-	-	-
Meals	-	-	-
Utility Assistance	-	-	-
Capital Outlays	-	-	-
InKind Contributions	-	-	-
Total Expenditures	<u>17,738</u>	<u>22,053</u>	<u>3,405</u>
Excess of Revenues over Expenditures	<u>-</u>	<u>(2,952)</u>	<u>(8)</u>
<u>Other Financing Sources (Uses)</u>			
Operating Transfers - In	-	2,952	8
Operating Transfers - Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>2,952</u>	<u>8</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Utility Assistance</u>	<u>Audit</u>	<u>Supplemental Senior Center</u>	<u>Total</u>
\$ -	\$ 1,689	\$ 3,100	\$ 45,025
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
5	-	-	5
<u>5</u>	<u>1,689</u>	<u>3,100</u>	<u>45,030</u>
-	-	-	11,524
-	-	-	891
-	-	-	200
-	1,689	-	31,470
-	-	-	363
-	-	-	437
-	-	-	-
-	-	-	-
2,052	-	-	2,052
-	-	-	-
<u>2,052</u>	<u>1,689</u>	<u>-</u>	<u>46,937</u>
<u>(2,047)</u>	<u>-</u>	<u>3,100</u>	<u>(1,907)</u>
-	-	-	2,960
-	-	(3,100)	(3,100)
-	-	(3,100)	(140)
-	-	-	(2,047)
14,478	-	-	14,478
<u>\$ 14,478</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,431</u>

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

Lincoln Council on Aging, Inc.
Comparative Schedule of Capital Assets
And Changes in Capital Assets
For The Year Ended June 30, 2014

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Capital Assets:				
Vehicles	\$ 172,606	\$ -	\$ -	\$ 172,606
Furniture and equipment	117,613	6,548	-	124,161
Buildings & Improvements	532,706	-	-	532,706
Total Capital Assets	\$ 822,925	\$ 6,548	\$ -	\$ 829,473
Investments in Capital Assets:				
Property acquired with funds from-				
Ombudsman	\$ 1,257	\$ -	\$ -	\$ 1,257
Title IIIB - SS	3,834	-	-	3,834
Title IIIC - AAA	2,055	-	-	2,055
Title IIIC - 1	2,936	-	-	2,936
Title IIIC - 2	23,017	-	-	23,017
Title IIID Preventive Health	8,835	-	-	8,835
Senior Center	41,035	6,548	-	47,583
General funds and local donations	663,512	-	-	663,512
PCOA	58,722	-	-	58,722
Acquired before 1985	17,722	-	-	17,722
Total Investment in Capital Assets	822,925	6,548	-	829,473

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

Douglas A. Brewer, LLC

Certified Public Accountant

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Phone: (318) 255-8244 Fax: (318) 255-8245

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

Lincoln Council on Aging, Inc.
Ruston Louisiana

I have audited, in accordance with the 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, the financial statements of the governmental activities and each major fund and the aggregate remaining fund information, of the Lincoln Council on Aging, Inc. as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued my report thereon dated January 13, 2015.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Lincoln Council on Aging, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, I do not express an opinion on the effectiveness of the Lincoln Council on Aging, Inc.'s internal control.

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that I consider to be a significant deficiency, listed as item 2014-01.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lincoln Council on Aging, Inc.'s financial statements are free from 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 tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2014-02.

Lincoln Council on Aging, Inc.'s Response to Findings

Lincoln Council on Aging, Inc.'s response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. The Council's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is to be distributed by the Legislative Auditor as a public document.

Douglas A. Breun, LLC

Ruston, Louisiana
January 13, 2015

Lincoln Council on Aging, Inc.
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2014

To The Board of Directors
Lincoln Council on Aging, Inc.

I have audited the financial statements of the Lincoln Council on Aging, Inc. as of and for the year ended June 30, 2014, and have issued my report thereon dated January 13, 2015. 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. My audit of the financial statements as of June 30, 2014, resulted in an unmodified opinion.

Section I- Summary of Auditors' Reports

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

Deficiencies in Internal Control

Material Weakness _____ yes X no

Significant Deficiencies not considered to be
Material Weaknesses X yes _____no

Compliance

Compliance Material to Financial Statements X yes _____no

B. Federal Awards – N/A

Material Weakness Identified _____ yes _____no

Significant Deficiencies not considered to be
Material Weaknesses _____ yes _____no

Type of Opinion on Compliance For Major Programs

Unqualified _____ Qualified _____

Disclaimer _____ Adverse _____

Are their findings required to be reported in accordance with Circular A-133, Section .510 (a)?

C. Identification of Major Programs: N/A

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

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

Lincoln Council on Aging, Inc.
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2014

Section II- Financial Statement Findings

13-01 Segregation of Duties

Condition:

During the audit, it was noted that the same employee, (the Executive Director) is responsible for entering all transactions into the accounting system, preparing deposits, and reconciling the bank statements. She also has the authority to sign checks as well.

Criteria:

One of the most critical areas of separation is cash.

Effect:

The result is the danger that intentional or unintentional errors could be made and not be detected in a timely manner.

Recommendation:

I recommend that the Board members keep an active role in the accounting process by approving invoices before payment, reviewing the bank statements each month, and signing checks.

Response:

The executive director has taken the additional responsibility of the accounting function since the Council's former accountant went on active duty in the National Guard. Board members do take an active role in the accounting function. All checks require two signatures, and when possible, two board member with signature authority sign checks.

13-02 Budget Authority and Control

Condition:

It was noted that actual expenditures on the general fund exceeded the total budgeted expenditures by more than five percent.

Criteria:

Under Louisiana law, statute 39:1311 requires that the budget must be amended when actual expenditures and other uses, within a fund, exceeds budgeted expenditures and other uses by more than five percent.

Effect:

The Council is not in compliance with state budget law.

Lincoln Council on Aging, Inc.
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2014

Recommendation:

I recommend that the Council monitor its budget on a regular basis so that amendments can be made in a timely manner in order to comply with state budget laws.

Response:

The Council normally amends its budgets in June of each year, but it did not do so this year. We will monitor future budgets closer.

Section III-Federal Award Findings and Question Costs

This section is not applicable for this entity.

Lincoln Council on Aging, Inc.
Schedule of Prior Year Findings
For the Year Ended June 30, 2014

Internal Control and Compliance Material to the Financial Statements

13-01 Segregation of Duties

Condition:

During the audit, it was noted that the same employee, (the Executive Director) is responsible for entering all transactions into the accounting system, preparing deposits, and reconciling the bank statements. She also has the authority to sign checks as well.

Recommendation:

I recommend that the Board members keep an active role in the accounting process by approving invoices before payment, reviewing the bank statements each month, and signing checks.

Status:

Not Cleared. See 14-01

13-02 Budget Authority and Control

Condition:

It was noted that actual expenditures on the general fund exceeded the total budgeted expenditures by more than five percent.

Recommendation:

If unforeseen expenditures occur during the year causing an unfavorable variance with the adopted budget, the Council should amend the budget before year end.

Status:

Cleared

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

Management Letter

No management letter was issued.

**Lincoln Council on Aging, Inc.
Management's Corrective Action Plan
For the Year Ended June 30, 2014**

Internal Control and Compliance Material to the Financial Statements

14-01 Segregation of Duties

Condition:

During the audit, it was noted that the same employee, (the Executive Director) is responsible for entering all transactions into the accounting system, preparing deposits, and reconciling the bank statements. She also has the authority to sign checks as well.

Recommendation:

I recommend that the Board members keep an active role in the accounting process by approving invoices before payment, reviewing the bank statements each month, and signing checks.

Response:

All checks require two signatures, and when possible, two board member with signature authority sign checks. In addition, a board member has been assigned to begin reconciling the monthly bank statements for all accounts.

14-02 Budget Authority and Control

Condition:

It was noted that actual expenditures on the general fund exceeded the total budgeted expenditures by more than five percent.

Recommendation:

If unforeseen expenditures occur during the year causing an unfavorable variance with the adopted budget, the Council should amend the budget before year end.

Response:

The Council failed to amend its budgets in June as it normally does. We will monitor this closer in the future.