

BOSSIER COUNCIL ON AGING, INC.

Bossier City, Louisiana

FINANCIAL STATEMENTS

June 30, 2010

Under provisions of state law this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and where appropriate, at the office of the parish clerk of court.

Release Date 3/30/11

Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana

BOSSIER COUNCIL ON AGING, INC.

Table of Contents

June 30, 2010

INDEPENDENT AUDITOR'S REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 11
BASIC FINANCIAL STATEMENTS	
GOVERNMENT WIDE FINANCIAL STATEMENTS:	
Statement of Net Assets	12
Statement of Activities	13
FUND FINANCIAL STATEMENTS:	
Balance Sheet	14
Statement of Revenues, Expenditures and Changes In Fund Balances	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
NOTES TO THE FINANCIAL STATEMENTS	17 - 40
SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GASB STATEMENT 34:	
Budgetary Comparison Schedule - General Fund	41
Budgetary Comparison Schedule - Title III B Supportive Services	42
Budgetary Comparison Schedule - Title III - C-1	43
Budgetary Comparison Schedule - Title III C-2	44

BOSSIER COUNCIL ON AGING, INC.

Table of Contents

June 30, 2010

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA:

Schedule of Nonmajor Special Revenue	45
Comparative Schedule of General Fixed Assets And Changes in General Fixed Assets	46
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	47 - 48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	49-50
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	51



Marsha O. Millican

PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Bossier Council on Aging, Inc.
Bossier City, Louisiana

I have audited the accompanying Statement of Net Assets, Balance Sheet - Governmental Funds, and Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities of Bossier Council on Aging, Inc, as of June 30, 2010. I was engaged to audit the Statement of Activities and Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Funds. These financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these financial statements based on my audit.

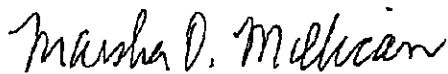
Except as discussed in the following paragraph, I conducted my audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion on the Statement of Net Assets, Balance Sheet - Governmental Funds, and Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.

I was unable to obtain sufficient, competent evidential matter regarding expenditures due to the failure of the Council to allocate indirect costs to programs. Therefore, the scope of my work was not sufficient to enable me to express, and I do not express, an opinion on the Statement of Activities or Statement of Revenue, Expenditures, and Changes in Fund Balance - Governmental Funds for the year ended June 30, 2010.

In my opinion, the Statement of Net Assets, Balance Sheet - Governmental Funds, and Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Fund to the Statement of Activities present fairly, in all material respects, the financial position of Bossier Council on Aging, Inc. as of June 30, 2010 in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis presented on pages 3 through 11 and the supplementary financial information required by GASB 34 on pages 41 through 44 and supplementary financial information required by GOEA on pages 45 and 46, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied limited procedures, which consisted principally of inquiries of management regarding the method of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, I have also issued a report dated December 23, 2010 on my consideration of Bossier Council on Aging, Inc's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 Governmental Auditing Standards and should be considered in assessing the results of my audit.



Certified Public Accountant
December 23, 2010

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)**

This section of the Bossier Council on Aging, Inc. 's annual financial performance during the fiscal year that ended on June 30, 2010. Please read it in conjunction with the Council's financial statements, which follow this section.

FINANCIAL STATISTICS

- The Council showed a net increase in overall net assets of \$61,828.
- Net Capital Assets of the Council increased by \$71,153.
- No deficit governmental fund balances exist at year end.
- The unreserved, undesignated fund balance for the Council's General Fund was \$117,815 at year-end, which is an decrease of \$6,174 from the prior year.

HOW TO USE THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 12 and 13) 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 14. For governmental activities, 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 her independent auditor's report, located immediately before 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 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 8. 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 Assets and the Statement of Activities (referred to collectively as the Government-Wide Financial Statements) report information about the Council as a whole and about its activities in a way that helps 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 12 to 13 and report the Council's net assets and changes in them. The Statement of Net Assets is designed to present the financial position of the Council as of year-end. Over time, increases or decreases in the Council's net assets are one indicator of whether its financial position is improving or deteriorating. However, to assess the overall financial position of the Council, you will need to consider other nonfinancial factors, such as the condition of the Council's capital assets and facilities, the addition

or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

The Statement of Activities provides information that shows how the Council's net asset changed as a result of this year's activities. All of the Council's significant activities are reported in the Statement of Activities. These activities include an Administration function and a Health, Welfare, and Social Services function. The Health, Welfare, and Social Services function is comprised of various programs that include various supportive social services, nutritional services, utility assistance, and disease prevention and health promotion. All activities of the Council are considered to be governmental activities. A governmental activity is one where the Council uses money it receives from government grants and contracts, along with donations from the general public, to pay for the services it provides to the general public, or a segment of the general public, such as the elderly. In other words, the people benefitting 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.

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

Our analysis of the Council's Governmental funds begins on page 9. The Fund Financial Statements can be found on pages 14 and 15 and provide detailed information about the most significant funds - not the Council as a whole. In the Fund Financial Statements you will see a General Fund and a variety of Special Revenue Funds. The General Fund is used to account for all financial resources except those that are required to be accounted for in another fund. The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. By using

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 to 40. 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 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 we 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 second item in this reporting package and not with the other RSI by GASB Statement 34.

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

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

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present as schedules the information on pages 45 and 46. 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 for the year ended June 30,

	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 157,322	\$ 141,395
Capital Assets, net of depreciation	<u>167,768</u>	<u>96,615</u>
Total Assets	<u>325,090</u>	<u>238,010</u>
Accounts Payable	39,507	17,406
Due to Funding Agency	-	-
Payroll Taxes Payable	-	-
Deferred Revenue	-	-
Compensated Absences	23,621	20,469
Notes Payable	-	-
Total Liabilities	<u>63,128</u>	<u>37,875</u>
Invested in capital assets, net of related debt	167,768	96,615
Restricted	-	6,841
Unrestricted	<u>94,194</u>	<u>96,678</u>
Total Net Assets	<u>\$ 261,962</u>	<u>\$ 200,134</u>

As of June 30, 2010, the Council "as a whole" had assets greater than its liabilities by \$261,962.

The net assets that have been invested in capital assets are presented net of any related outstanding debt incurred to acquire them.

For the year ended June 30, total revenues exceeded total expenses as follows:

	<u>2010</u>	<u>2009</u>
Revenues		
Program Revenues:		
Operating Grants and Contributions	\$ 627,448	\$ 596,203
Capital Grants	63,927	-
General Revenues:		
Unrestricted Grants and Contributions	240,523	257,979
Other General Revenues	<u>194,535</u>	<u>116,699</u>
Total Revenues	<u>1,126,473</u>	<u>970,881</u>
Direct Program Expenses of the Health, Welfare, and Social Services Function:		
Supportive Services:		
Other Services	5,788	4,504
Homemaker	116,759	91,106
Information and Assistance	21,611	16,839
Legal Assistance	4,653	4,653
Outreach	15,910	12,398
Transportation	225,161	183,569
Nutrition Services:		
Congregate Meals	103,559	87,722
Home Delivered Meals	245,512	235,418
Utility Assistance	4,274	5,686
Disease Prevention and Health Promotion	11,141	8,457
National Family Caregiver Support	43,153	51,459
Direct Administration Expenses	<u>267,134</u>	<u>230,215</u>
Total Expenses	<u>1,064,645</u>	<u>932,036</u>
Increase (Decrease) in Net Assets	<u>\$ 61,828</u>	<u>\$ 38,845</u>

AN ANALYSIS OF GOVERNMENTAL ACTIVITIES

Most of the Council's activities are funded by federal, state, and local grants. These grants amount to approximately 79% of the revenues of the Council in 2010. 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 10% of the total revenues of 2010.

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

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

Fund Balances

The Council showed a combined governmental fund balance of \$117,815 at the end of this year, which is a decrease of \$6,174 versus last year.

Revenues

The combined fund revenues increased \$155,593 this year versus last year.

Expenditures

Total expenditures increased by \$220,534 this year.

AN ANALYSIS OF MAJOR SPECIAL REVENUE BUDGETS

Over the course of this past fiscal year the budget was amended.

You can find schedules of the original budgets for the Major Special Revenue Funds in the Supplementary Financial Information Required by GASB Statement 34 section of this report on pages 41 to 44. 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 us the opportunity to use hindsight to adjust the forecast that it made at the

beginning of the year. With only two months 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.

The Council did not adopt a budget for the general fund.

AN ANALYSIS OF CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of the year, the Council had \$167,768 in fixed assets net of accumulated depreciation.

The Council had no working capital debt at year end.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The council receives most of its funding from federal and state agencies. Because of this, the source of income for the Council is rather steady. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council, and therefore, revenues may vary from year to year. In setting its budget for fiscal year 2011 it was important that we deliver at least the same level of service to our clients and the public as we did in 2010. All of the Council's grants and contracts from the usual federal and state agencies have been approved for FY 2010. 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 for more information, you should contact Mrs. Mary Anne Rankin, Executive Director, at the Council's main office located at 706 Esarkat Drive, Bossier City, Louisiana, or by phone at 318-741-8302.

BOSSIER COUNCIL ON AGING, INC.

Government Wide Statement of Net Assets

June 30, 2010

	<u>Governmental Activities</u>
Assets	
Cash	\$ 153,661
Contracts receivable	3,661
Capital assets, net of accumulated depreciation	<u>167,768</u>
Total assets	<u>\$ 325,090</u>
Liabilities	
Accounts payable	\$ 39,507
Accrued compensated absences:	
Current portion	9,685
Non-current portion	<u>13,936</u>
Total liabilities	<u>\$ 63,128</u>
Net assets	
Invested in Capital Assets, net of debt	\$ 167,768
Restricted	-
Unrestricted	<u>94,194</u>
Total Net Assets	<u><u>\$ 261,962</u></u>

The accompanying notes are an integral part of this statement.

BOSSIER COUNCIL ON AGING, INC.

GOVERNMENT WIDE STATEMENT OF ACTIVITIES

For the Year ended June 30, 2010

Functions/Programs	Program Revenues			Capital Grants and Contributions	Net (Expenses) Revenues and Increases (Decreases) in Net Assets
	Direct Expenses	Indirect Expenses	Charges for Services		
Governmental Activities					
Health, Welfare & Social Services:					
Supporting Services:					
Homemaker	\$116,759	37,885	-	81,592	\$(73,052)
Information and Assistance Outreach	21,611	7,009	-	15,102	\$(13,518)
Legal Assistance	15,910	5,160	-	11,118	(9,952)
Transportation	4,653	-	-	4,653	-
Other Services	225,161	73,005	-	118,989	(140,821)
Nutrition Services:	5,778	1,874	-	4,037	(3,615)
Congregate Meals	103,559	35,759	-	80,715	(58,603)
Home Delivered Meals	245,512	85,404	-	226,134	(79,211)
Utility Assistance	4,274	-	-	4,274	-
Disease Prevention and Health Promotion	11,141	4,317	-	5,335	(10,123)
National Family Caregiver Support Administration	43,153	16,721	-	40,065	(19,809)
Total Governmental activities	<u>\$ 1,061,645</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 627,488</u>	<u>\$ 35,474</u>
					<u>(373,230)</u>
General Revenues:					
Grants and contributions not restricted to specific programs					240,523
Program service fees					39,051
Miscellaneous					155,484
Total general revenues and special items					<u>435,058</u>
Increase (Decrease) in net assets					61,828
Net assets - beginning of the year					200,134
Net assets - end of the year					<u>\$ 261,962</u>

The accompanying notes are an integral part of this statement.

BOSSIER COUNCIL ON AGING, INC.
Balance Sheet
Governmental Funds
June 30, 2010

	General Fund	Title III B	Title III C-1	Title III C-2	Non-Major Funds	Total
Assets						
Cash	\$ 153,661	\$ -	\$ -	\$ -	\$ -	\$ 153,661
Grants and contracts receivable	-	-	-	-	3,661	3,661
Due from other funds	3,661	-	-	-	-	3,661
Deposits on vans	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 157,322	\$ -	\$ -	\$ -	\$ 3,661	\$ 160,983
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 39,507	\$ -	\$ -	\$ -	\$ -	\$ 39,507
Payroll taxes payable	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	3,661	3,661
Total Liabilities	39,507	-	-	-	3,661	43,168
Fund Balances:						
Reserved for:						
Utility assistance	-	-	-	-	-	-
FEMA	-	-	-	-	-	-
Unreserved/Unesignated:						
General Fund	117,815	-	-	-	-	117,815
Special Revenue Fund	-	-	-	-	-	-
Total Fund Balances	117,815	-	-	-	-	117,815
Total Liabilities and Fund Balances	\$ 157,322	\$ -	\$ -	\$ -	\$ 3,661	\$ 160,983

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

- Compensated absences are not paid for out of current financial resources and therefore are not reported in the funds \$ (23,621)
- Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds 167,768

Net Assets of Governmental Activities \$ 261,962

BOSSIER COUNCIL ON AGING, INC.

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2010

	<u>General</u>	<u>Supportive Services</u>	<u>C-1</u>	<u>C-2</u>	<u>Non-Major Funds</u>	<u>Total</u>
REVENUES						
Intergovernmental:						
GOEA	\$ 37,500	\$ 93,065	\$ 71,174	\$ 117,072	\$ 233,602	\$ 552,413
Bossier Parish						
Police Jury	80,000	-	-	-	-	80,000
City of Bossier	140,000	-	-	-	-	140,000
DOTD	63,927	-	-	-	-	63,927
DHH	39,051	-	-	-	-	39,051
FEMA	-	-	-	-	12,583	12,583
Public Support:						
Unrestricted	56,454	-	-	-	-	56,454
Restricted - Utility Programs	-	-	-	-	314	314
Client Contributions	-	19,703	2,225	39,838	412	62,178
Miscellaneous	119,553	-	-	-	-	119,553
Total Revenues	536,485	112,768	73,399	156,910	246,911	1,126,473
EXPENDITURES						
Health, Welfare & Social Services						
Current:						
Salaries	-	199,937	49,370	54,293	152,505	456,105
Fringe	-	17,877	4,965	5,772	25,085	53,699
Travel	2,196	-	-	5,654	139	7,989
Operating services	9,624	71,049	4,559	13,617	63,300	162,149
Operating supplies	67,399	33,552	12,479	9,047	9,306	131,783
Other costs	-	-	-	-	-	-
Meals	-	-	20,910	132,020	36,385	189,315
Utility assistance	-	-	-	-	4,274	4,274
Capital outlay	127,333	-	-	-	-	127,333
Total expenditures	206,552	322,415	92,283	220,403	290,994	1,132,647
Excess (deficiency) of revenues over expenditures	329,933	(209,647)	(18,884)	(63,493)	(44,083)	(6,174)
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	209,647	18,884	63,493	158,617	450,641
Operating transfers out	(329,266)	-	-	-	(121,375)	(450,641)
Excess (deficiency) of revenues and other sources over expenditures and other uses	667	-	-	-	(6,841)	(6,174)
FUND BALANCES (DEFICIT)						
Beginning of year (deficit)	117,148	-	-	-	6,841	123,989
End of year	\$ 117,815	\$ -	\$ -	\$ -	\$ -	\$ 117,815

The accompanying notes are an integral part of this statement.

BOSSIER COUNCIL ON AGING, INC.

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

Year Ended June 30, 2010

Net Increase (Decrease) in fund balances total governmental funds	\$ (6,174)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$127,333) exceeds depreciation (\$46,548) in the current period.	80,785
Other transactions relating to fixed assets: Loss on sale and disposition of assets	(9,631)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
<i>Compensated absences</i>	<u>(3,152)</u>
Increase (Decrease) of net assets of governmental activities	<u>\$ 61,828</u>

BOSSIER COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1 - Summary of Significant Accounting Policies:

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 Bossier Parish; to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States; to interpret its findings to the citizens of the parish; to provide for a mutual exchange of ideas and information on the parish and state level; to conduct public meetings to make recommendations for needed improvements and additional resources; to promote the welfare of aging people when requested to do so; to coordinate and monitor services of other local agencies serving the aging people of the parish; and to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA) other departments of state and local government serving the elderly; and to make recommendations relevant to the planning and delivery of services to the elderly of the parish.

Specific services provided by the Council to the elderly residents of Bossier Parish include providing congregate and home delivered meals, nutritional education, personal care, information and assistance, outreach, material aid, utility assistance, homemakers, recreation, legal assistance, health promotion, and transportation.

BOSSIER COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1 - Summary of Significant Accounting Policies (Continued)

B. Reporting Entity:

In 1964, the State of Louisiana passed Act 456 authorizing the charter of a voluntary council on aging for the welfare of the aging people in each parish of Louisiana. However, before the council on aging can begin operations in a specific parish, its application for a charter must receive approval from the Governor's Office of Elderly Affairs pursuant to LA R.S. 46:1602. The functions of each council on aging in Louisiana must comply with the objectives of state laws and are governed by the policies and regulations established by GOEA.

The Bossier Council on Aging is a legally separate, non-profit, quasi-public corporation. It received its charter and began operations on April 28, 1975.

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 annually in the following manner:

One third of the members are selected from the general public to represent all sections of the parish and are drawn from, but not limited to, civic organizations, governmental agencies, business, and religious groups.

BOSSIER COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1 - Summary of Significant Accounting Policies (Continued)

B. Reporting Entity: - (Continued)

Membership in the Council is open at all times, without restriction, to all residents of Bossier 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 Bossier Council on Aging, Inc. is not a component unit of another primary government nor does it have any component units that are related to it. In addition, based on the criteria set forth in GASB Codification section 2100, the council has presented its financial statements as a primary government, because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement 14, the term fiscally independent means that the council may, without approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. As previously mentioned, GOEA establishes the policies and regulations that all councils must follow. Included in its policies is a provision that the Council's budget be approved by GOEA. However, this approval process is part of GOEA's general oversight responsibility for the council and is more ministerial or compliance oriented than substantive.

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

BOSSIER COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1 - Summary of Significant Accounting Policies (Continued)

C. Presentation of Statements:

The Council's statements are prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

The council has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds; however, the Council has chosen not to do so because it does not have any business-type activities or enterprise funds. The more significant accounting policies established in GAAP and used by the Council are discussed below.

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

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Council's overall financial position and results of operations.

BOSSIER COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1 - Summary of Significant Accounting Policies
-Continued)

C. Presentation of Statements (Continued)

- Governmental-Wide Financial statements prepared using full accrual accounting for all of the Council's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The Council has complied with the general provisions of GASB Statement 34.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1 - Summary of Significant Accounting Policies -
(Continued)

D. Basic Financial Statements - Government-Wide Statements
(Continued)

net assets. Invested in capital assets, net of related debt consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other 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 had no restricted assets at year end.

The Council's policy is to use restricted resources first to finance its activities except for nutrition services. When providing nutrition services, revenues earned by the Council under its NSIP contract with GOEA can only be used to pay for the raw food component of each meal that is bought and served to a person eligible to receive a meal under one of the nutrition programs. The Council's management has discretion as to how and when to use the 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 restricted 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 net

BOSSIER COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1 - Summary of Significant Accounting Policies -
(Continued)

**D. Basic Financial Statements - Government-Wide
Statements (Continued)**

investment income, particularly if the function or program has a net cost. The Statement of Activities begins by presenting gross direct and indirect expenses that include depreciation, and then reduces the expenses by related program revenues, such as operating and capital grants and contributions, to derive the net cost of each function or program. Program revenues must be directly associated with the function or program to be used to directly offset its cost. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants. The Council did not receive any capital-specific grants this year.

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

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 - Fund Financial
Statements:**

The financial transactions of the Council are reported in individual funds in the Fund Financial Statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based

BOSSIER COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1 - Summary of Significant Accounting Policies:
(Continued)

**E. Basic Financial Statements - Fund Financial
Statements (Continued)**

upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are reported by generic classification within the financial statements.

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

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

BOSSIER COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1 - Summary of Significant Accounting Policies
(Continued)

**E. Basic Financial Statements: Fund Financial
Statements (Continued)**

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.
- **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

BOSSIER COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1 - Summary of Significant Accounting Policies
(Continued)

**E. Basic Financial Statements - Fund Financial
Statements (Continued)**

unit of service for each Title III program. Specific supportive social services, along with the number of units provided during the fiscal year, are as follows:

	<u>Units</u>
• Information and Assistance	351
• Outreach	158
• Homemaker	5,796
• Recreation	5,913
• Transportation for people age 60 or older	11,579
• Legal	66
• Utility Assistance	27

The Title III C-1 Fund is used to account for funds that are used to provide nutritional, congregate meals to the elderly at meal site located in Bossier City. During the year the Council served 6,444 meals to people eligible to participate in this program.

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 42,822 meals during the year to people eligible to participate in this program.

BOSSIER COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1 - Summary of Significant Accounting Policies
(Continued)

**e. Basic Financial Statements - Fund Financial
Statements - (Continued)**

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 administering the Council's programs. Each fiscal year GOEA provides the Council with funds to help pay for the costs of administering the Council's special programs for the 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.

The Title III D Fund is used to account for funds used for disease prevention and health promotion activities. During the year 8,045 units of wellness service were provided to eligible participants in this program.

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to GOEA, which in turn "passes through" the funds to the Council. The purpose of this program is to provide a community service center at which elderly people can receive supportive social services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The senior center for Bossier Parish is located in Bossier City. Senior Center funds can be used at management's discretion to support any of the Council's programs that benefit the elderly. Accordingly, during the fiscal year, the Senior Center Fund transferred all of its grant revenue to the Title III B Fund to

BOSSIER COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1 - Summary of Significant Accounting Policies
(Continued)

**E. Basic Financial Statements - Fund Financial
Statements - (Continued)**

subsidize that program's cost of providing supportive services to elderly persons who use the senior center.

The Nutritional Services Incentive Fund is used to account for the administration of the Food Distribution Program provided by the United State Department of Agriculture through the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. GOEA distributes 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 NSIP reimbursement is to provide money to the Council so that United States food and commodities may be purchased to supplement nutrition programs.

The Utility Assistance Fund is used to account for the administration of utility assistance programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging to provide assistance to the elderly for the payment of utility bills. The Council receives its Project Care donations directly from Entergy Corporation. LP&L Helping Hands donations are provided through the Louisiana Association of councils on Aging, Inc. (LACOA). During the year, the Council was able to provide 50 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 the GOEA supplement. Excess audit costs have been distributed to other funds and programs using the Council's indirect cost allocation formula.

BOSSIER COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1 - Summary of Significant Accounting Policies
(Continued)

E. Basic Financial Statements - Fund Financial Statements - (Continued)

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 Bossier Council on Aging, Inc. was one of the parish councils to receive a supplemental grant of \$3,100. The money received by this fund during the year was transferred to the Title III B Supportive Services Fund to supplement the expenditures of that fund.

The Title III E Care-giver Fund provides systems of support services for family care-givers and for older individuals who are relative care givers. The Council provided 1,876 units of respite care to qualifying individuals under this program.

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 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.

BOSSIER COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1 - Summary of Significant Accounting Policies
(Continued)

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 transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

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

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.

BOSSIER COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1 - Summary of Significant Accounting Policies
(Continued)

H. 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 a 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. The Council had no investments at year end.

I. 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 expenditure. Prepaid expenses consist of prepaid supplies.

J. 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

BOSSIER COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1 - Summary of Significant Accounting Policies
(Continued)

J. Capital Assets: (Continued)

and that have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Assets. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation.

For capital assets recorded in the Government-Wide Financial Statements, depreciation is computed and recorded using the straight-line method for the asset's estimated useful life. The estimated useful lives of the various classes of depreciable capital assets are as follows: Building improvements - 20 years, equipment and vehicles - 5 - 7 years, computers - 3 years. Depreciation is not computed or recorded on capital assets for purposes of the Fund Financial Statements.

K. Cash and Cash Equivalents:

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

L. 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

BOSSIER COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1 - Summary of Significant Accounting Policies
(Continued)

L. Unpaid Compensated Absences: (Continued)

the compensated absence liability was determined using the number of vested vacation hours for each employee multiplied by the employee's wage rate in effect at the end of the year.

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

BOSSIER COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1 - Summary of Significant Accounting Policies
(Continued)

M. Allocation of Indirect Expenses: (Continued)

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

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.

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.

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

BOSSIER COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1 - Summary of Significant Accounting Policies
(Continued)

P. Deferred Revenues: (Continued)

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.

Note 2 - Revenue Recognition

Revenues are recorded 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, the timing and amounts of the receipts of public support and miscellaneous revenues are often difficult to measure; therefore, they are recorded as revenue in the period received.

Note 3 - Cash

The Council maintains a consolidated bank account to deposit most of the monies it collects and to pay its bills. The consolidated bank account is available for use by all funds. The purpose of this consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds.

BOSSIER COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 3 - Cash (Continued)

At year-end, the carrying amount of the Council's cash balances on the books, \$153,661 whereas the related bank cash balances totaled \$183,568. The difference in the book and bank balances for cash relates primarily to deposits made and checks written which did not clear the bank accounts by year-end. All bank balances were covered by federal depository insurance.

Note 4 - Changes in Capital Assets

A summary of changes in capital assets is as follows:

Capital Assets	Balance 07-01-09	Increases	Decrease	Balance 06-30-10
Vehicles	\$ 333,629	\$ 119,840	\$ (157,546)	\$ 295,923
Equipment	13,581	7,493	(4,243)	16,831
Furniture and Fixtures	<u>9,634</u>	<u>-</u>	<u>-</u>	<u>9,634</u>
Subtotal	<u>356,844</u>	<u>122,333</u>	<u>(161,789)</u>	<u>322,388</u>
Accumulated Depreciation:				
Vehicles	247,250	38,765	(147,914)	138,101
Equipment	5,120	7,783	(4,243)	8,660
Furniture and Fixtures	<u>7,859</u>	<u>-</u>	<u>-</u>	<u>7,859</u>
Subtotal	<u>260,229</u>	<u>46,548</u>	<u>(152,157)</u>	<u>154,620</u>
Net Assets	<u>\$ 96,615</u>	<u>\$ 80,784</u>	<u>\$ (9,631)</u>	<u>\$ 167,768</u>

Depreciation was charged to governmental activities as follows:

Local	\$ 7,783
Transportation	<u>38,765</u>
Total depreciation expense for governmental activities	<u>\$ 46,548</u>

BOSSIER COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 8 - 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 costs under the grant programs. Such advances create short-term interfund loans in the Fund Financial Statements. A summary of these interfund loans at year end, is as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 3,661	\$ -
Non-Major Funds	<u>-</u>	<u>3,661</u>
Total	<u>\$ 3,661</u>	<u>\$ 3,661</u>

These loans have been eliminated as a part of the consolidation process in preparing the Government-Wide Financial Statements.

Note 9 - 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 current or prior three fiscal years 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.

BOSSIER COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 5 - Board of Directors' Compensation

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

Note 6 - Income Tax Status

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

Note 7 - Economic Dependency

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

BOSSIER COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 8 - 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 costs under the grant programs. Such advances create short-term interfund loans in the Fund Financial Statements. A summary of these interfund loans at year end, is as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 3,661	\$ -
Non-Major Funds	<u>-</u>	<u>3,661</u>
Total	<u>\$ 3,661</u>	<u>\$ 3,661</u>

These loans have been eliminated as a part of the consolidation process in preparing the Government-Wide Financial Statements.

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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 current or prior three fiscal years 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.

BOSSIER COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 10 - Interfund Transfers

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

	<u>Funds Transferred From</u>					<u>Total</u>
	<u>PCOA</u>	<u>Other Local</u>	<u>Senior Center</u>	<u>Senior Center</u>	<u>NSIP</u>	
<u>Transfer To:</u>						
AAA	\$ -	\$143,027	\$ -	\$ -	\$ -	\$ 143,027
III B	37,500	98,201	70,846	3,100	-	209,647
C-1	-	18,884	-	-	-	18,884
C-2	-	16,064	-	-	47,429	63,493
IIID	-	5,806	-	-	-	5,806
IIIE	-	3,088	-	-	-	3,088
Audit	-	6,263	-	-	-	6,263
Utility Assis	-	433	-	-	-	433
Total	<u>\$37,500</u>	<u>\$291,766</u>	<u>\$ 70,846</u>	<u>\$ 3,100</u>	<u>\$ 47,429</u>	<u>\$ 450,541</u>

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.

BOSSIER COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 11 - Related Party Transactions

There were no significant related party transactions during the year.

Note 12 - Changes in Debt:

Compensated absences:

Beginning balance -	\$ 20,469
Increase	<u>3,152</u>
Ending balance -	23,621
Less: current portion	<u>9,685</u>
Long-term compensated absences	<u>\$ 13,936</u>

Note 12 - In-Kind Contributions

The Council received various in-kind contributions during the year. No amounts have been reflected in the accompanying financial statements for in-kind contributions in as much as the in-kind contributions do not create a nonfinancial asset.

BOSSIER COUNCIL ON AGING, INC.

Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2010

The Council did not adopt a budget for the general fund for the year ended June 30, 2010.

BOSSIER COUNCIL ON AGING, INC.

Budgetary Comparison Schedule - Title III B Fund

For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>GAAP</u>	<u>Favorable</u>
			<u>Basis</u>	<u>(Unfavorable)</u>
REVENUES				
Intergovernmental				
Governor's Office of Elderly Affairs	\$ 93,065	\$ 93,065	\$ 93,065	\$ -
Public Support	15,000	17,000	19,703	2,703
Total Revenues	108,065	110,065	112,768	2,703
EXPENDITURES				
Current:				
Personnel	226,249	247,799	199,937	47,862
Fringe	29,306	30,312	17,877	12,435
Travel	15,087	8,726	-	8,726
Operating Services	84,751	113,383	71,049	42,334
Operating Supplies	45,744	38,557	33,552	5,005
Meal Costs	4,653	5,340	-	5,340
Other Costs	5,862	8,154	-	8,154
Total Expenditures	411,652	452,271	322,415	129,856
Excess (deficiency) of revenues over expenditures	(303,587)	(342,206)	(209,647)	132,559
OTHER FINANCING SOURCES (USES)				
Transfers in	303,587	342,206	209,647	(132,559)
Transfers out	-	-	-	-
Total other financing sources and uses	303,587	342,206	209,647	(132,559)
Net increase (decrease) in fund balances	-	-	-	-
FUND BALANCES				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

BOSSIER COUNCIL ON AGING, INC.

Budgetary Comparison Schedule - Title III C-1 Fund

For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Intergovernmental				
Governor's Office of Elderly Affairs	\$ 71,174	\$ 71,174	\$ 71,174	\$ -
Public Support	5,000	4,000	2,225	(1,775)
Total Revenues	<u>76,174</u>	<u>75,174</u>	<u>73,399</u>	<u>(1,775)</u>
EXPENDITURES				
Current:				
Personnel	48,878	44,726	49,370	(4,644)
Fringe	6,331	5,471	4,965	506
Travel	904	991	-	991
Operating Services	7,183	7,619	4,559	3,060
Operating Supplies	3,680	4,057	12,479	(8,422)
Meal Costs	28,800	29,845	20,910	8,935
Other Costs	1,564	1,720	-	1,720
Total Expenditures	<u>97,340</u>	<u>94,429</u>	<u>92,283</u>	<u>2,146</u>
Excess (deficiency) of revenues over expenditures	<u>(21,166)</u>	<u>(19,255)</u>	<u>(18,884)</u>	<u>371</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	21,166	19,255	18,884	(371)
Transfers out	-	-	-	-
Total other financing sources and uses	<u>21,166</u>	<u>19,255</u>	<u>18,884</u>	<u>(371)</u>
Net increase (decrease) in fund balances	-	-	-	-
FUND BALANCES				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BOSSIER COUNCIL ON AGING, INC.

Budgetary Comparison Schedule - Title III C-2 Fund

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	GAAP Basis	Favorable (Unfavorable)
REVENUES				
Intergovernmental				
Governor's Office of Elderly Affairs	\$ 117,072	\$ 117,072	\$ 117,072	\$ -
Public Support	38,500	38,500	39,838	1,338
Total Revenues	155,572	155,572	156,910	1,338
EXPENDITURES				
Current:				
Personnel	67,877	67,292	54,293	12,999
Fringe	8,792	8,231	5,772	2,459
Travel	12,277	8,377	5,654	2,723
Operating Services	39,838	39,536	13,617	25,919
Operating Supplies	23,968	9,928	9,047	881
Meal Costs	123,200	126,907	132,020	(5,113)
Other Costs	4,113	4,829	-	4,829
Total Expenditures	280,065	265,100	220,403	44,697
Excess (deficiency) of revenues over expenditures	(124,493)	(109,528)	(63,493)	46,035
OTHER FINANCING SOURCES (USES)				
Transfers in	124,493	109,528	63,493	(46,035)
Transfers out	-	-	-	-
Total other financing sources and uses	124,493	109,528	63,493	(46,035)
Net increase (decrease) in fund balances	-	-	-	-
FUND BALANCES				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

BOSSIER COUNCIL ON AGING, INC.

Combining Statement of Program Revenues, Expenditures
and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended June 30, 2010

	Area Agency Admin	AARA C-1	ARRA C-2	FEMA	Title IID
<u>REVENUES</u>					
Intergovernmental:					
Governor's Office of Elderly Affairs State of Louisiana	\$ 33,737	\$ 11,276	\$ 9,212	\$ -	\$ 5,335
FEMA				12,583	
Development	-	-	-		-
Public Support:					
Restricted - Utility Programs	-	-	-	-	-
Client Contributions	-	-	-	-	-
Total Revenues	<u>33,737</u>	<u>11,276</u>	<u>9,212</u>	<u>12,583</u>	<u>5,335</u>
<u>EXPENDITURES</u>					
Salaries	111,420	-	-	-	8,923
Fringe	18,890	-	-	-	1,339
Travel	139	-	-	-	-
Operating Services	41,464	-	-	-	-
Operating Supplies	4,851	-	-	-	879
Other Costs	-	-	-	-	-
Meals	-	11,276	9,212	15,897	-
Utility Assistance	-	-	-	3,960	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>176,764</u>	<u>11,276</u>	<u>9,212</u>	<u>19,857</u>	<u>11,141</u>
Excess (deficiency) of revenues over expenditures	(143,027)	-	-	(7,274)	(5,806)
<u>OTHER FINANCING SERVICES (USES)</u>					
Operating transfers in	143,027	-	-	433	5,806
Operating transfers out	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	(6,841)	-
<u>FUND BALANCES</u>					
Beginning of year	-	-	-	6,841	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Title IIIE	NSIP	Audit	Senior Center	Supple Senior Center	Utility Assist	Totals
\$ 40,003	\$47,429	\$ 1,737	\$81,773	\$ 3,100	\$ -	\$233,602
-	-	-	-	-	-	12,583
-	-	-	-	-	314	314
62	-	-	350	-	-	412
<u>40,065</u>	<u>47,429</u>	<u>1,737</u>	<u>82,123</u>	<u>3,100</u>	<u>314</u>	<u>246,911</u>
32,162	-	-	-	-	-	152,505
4,856	-	-	-	-	-	25,085
-	-	-	-	-	-	139
5,014	-	8,000	8,822	-	-	63,300
1,121	-	-	2,455	-	-	9,306
-	-	-	-	-	-	-
-	-	-	-	-	-	36,385
-	-	-	-	-	314	4,274
-	-	-	-	-	-	-
<u>43,153</u>	<u>-</u>	<u>8,000</u>	<u>11,277</u>	<u>-</u>	<u>314</u>	<u>290,994</u>
(3,088)	47,429	(6,263)	70,846	3,100	-	(44,083)
3,088	-	6,263	-	-	-	158,617
-	<u>(47,429)</u>	<u>-</u>	<u>(70,846)</u>	<u>(3,100)</u>	<u>-</u>	<u>(121,375)</u>
-	-	-	-	-	-	(6,841)
-	-	-	-	-	-	6,841
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BOSSIER COUNCIL ON AGING, INC.

Statement of General Fixed Assets
and Changes in General Fixed Assets
For the Year Ended June 30, 2010

	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
General Fixed Assets, at cost:				
Vehicles	\$ 333,629	\$ 119,840	\$ (157,546)	\$ 295,923
Equipment	13,581	7,493	(4,243)	16,831
Furniture and Fixtures	9,634	-	-	9,634
Total	<u>\$ 356,844</u>	<u>\$ 127,333</u>	<u>\$ (161,789)</u>	<u>\$ 322,388</u>
Investment in General Fixed Assets:				
Title IIIB	\$ 27,471	\$ -	\$ -	\$ 27,471
Title IID	500	-	-	500
PCOA	19,850	-	-	19,850
Local	309,023	130,826	(165,282)	274,567
Total	<u>\$ 356,844</u>	<u>\$ 130,826</u>	<u>\$ (165,282)</u>	<u>\$ 322,388</u>



Marsha O. Millican

PROFESSIONAL ACCOUNTING CORPORATION

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

Board of Directors
Bossier Council on Aging, Inc.
Bossier City, Louisiana

I have audited the financial statements of Bossier Council on Aging, Inc. as of and for the year ended June 30, 2010, and have issued my report thereon dated December 23, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, I identified certain deficiencies in internal control over financial reporting that I consider to be a material weakness.

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 Council's financial statements will not be prevented, or detected on a timely basis. I consider the deficiencies described in the accompanying schedule of findings and questioned costs as Finding #2010-1 and Finding #2010-2 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bossier Council on Aging, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as Finding # 2010-3 and Finding #2010-4.

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This report is intended solely for the information and use of management and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Masha D. Mulvan

Certified Public Accountant

December 23, 2010

BOSSIER COUNCIL ON AGING, INC.

Schedule of Findings

For the Year Ended June 30, 2010

Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the Statement of Net Assets, Balance Sheet, and Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Fund to the Statement of Activities, and a disclaimer of opinion on the Statement of Statement of Activities and Revenues, Expenditures and Changes in Fund Balance.
2. Two significant deficiencies are reported as material weaknesses in internal control over financial reporting.
3. Two instances of noncompliance were disclosed during the audit.

Finding # 2010-1:

Condition: The Council did not maintain adequate accounting records for the year ended June 30, 2010. Complete reports were not maintained for all funds.

Cause: The software package utilized by the Council, as installed, does not produce complete reports for all funds.

Recommendation: I recommend the Council adopt procedures to ensure that all software purchased by the Council is properly installed to meet the needs of the Council.

Management's Corrective Action Plan: We agree with the finding. We have purchased and are in the process of installing software that meets the needs of the Council.

Finding # 2010-2:

Condition: The Council did not allocate indirect costs among the various funds. The Council incurs costs that are not directly allocable to a program, but are indirectly borne by all programs, such as administrative salaries. Failure to allocate indirect costs among programs results in understatement of expenses in the various programs.

Cause: The software utilized by the Council does not allocate indirect costs.

Recommendation: I recommend the Council adopt procedures to insure that all program expenses, direct and indirect, are allocated to the Council's programs.

Management's Corrective Action Plan: We agree with the finding. We have purchased and are in the process of installing software that meets the needs of the Council.

BOSSIER COUNCIL ON AGING, INC.

Schedule of Findings

For the Year Ended June 30, 2010

Finding # 2010-3:

Condition: The Council did not reassess participants in the C-2 (home delivered meals) program on a timely basis.

Cause: Oversight.

Recommendation: I recommend the Council reassess C-2 participants on a timely basis.

Management's Corrective Action Plan: We agree with the finding. We will reassess C-2 participants on a timely basis in the future.

Finding # 2010-4:

Condition: The Council transferred funds restricted for utility payments of \$1,000 to the payroll bank account on August 17, 2010. These funds were repaid on September 14, 2010. The Council also transferred FEMA funds of 2,200 to the payroll bank account on August 17, 2010. These funds were repaid on September 14, 2010.

Cause: Oversight.

Recommendation: I recommend the Council refrain from borrowing from restricted monies.

Management's Corrective Action Plan: We agree with the finding. We will not borrow from restricted funds in the future.

BOSSIER COUNCIL ON AGING, INC.

Summary Schedule of Prior Year Findings

For the Year Ended June 30, 2010

Finding #2009-1:

The Council did not maintain complete and accurate accounting records.

Status: Unresolved.

Finding #2009-2:

Failure to allocate indirect costs by fund.

Status: Unresolved.

Finding #2009-3:

The Council did not file its financial statements within the time frame required by state law.

Status: Resolved.