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**TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**
St. Joseph, Louisiana

General Purpose Financial Statements and
Independent Auditor's Reports
As of and for the Year Ended June 30, 1996
With Supplemental Information Schedules

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 FEB 12 1997

**TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**
St. Joseph, Louisiana

General Purpose Financial Statements and
Independent Auditor's Reports
As of and for the Year Ended June 30, 1996
With Supplemental Information Schedules

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**TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**

St. Joseph, Louisiana
Contents, June 30, 1996

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**TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**

St. Joseph, Louisiana
Contents, June 30, 1996

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RICHARD B. GARRETT
Certified Public Accountant
149 Turtledove Drive
Monroe, Louisiana 71203

Independent Auditor's Report
on the Financial Statements

BOARD OF DIRECTORS
TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED
St. Joseph, Louisiana

I have audited the accompanying general purpose financial statements of Tensas Parish Council on the Aging, Incorporated, as of and for the year ended June 30, 1996, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of management of the Tensas Parish Council on the Aging, Incorporated. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (OMB) Circular A-128 - Audits of State and Local Governments. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Tensas Parish Council on the Aging, Incorporated, as of June 30, 1996, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

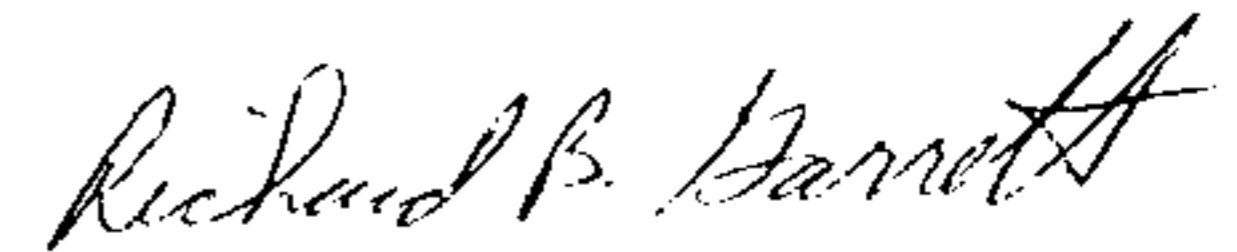
In accordance with Government Auditing Standards, I have issued a report dated December 6, 1996, on my consideration of the council on aging's internal control and a report dated December 6, 1996, on its compliance with applicable laws and regulations.

RICHARD B. GARRETT

**BOARD OF DIRECTORS
TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**

St. Joseph, Louisiana
Audit Report, June 30, 1996

My audit was made for the purpose of forming an opinion on the general purpose financial statements. The accompanying supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Tensas Parish Council on the Aging, Incorporated. Such information has been subjected to the procedures applied in my audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



RICHARD B. GARRETT

Monroe, Louisiana
December 6, 1996

TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED
St. Joseph, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, June 30, 1996

	GOVERNMENTAL FUNDS		ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	1996	1995
ASSETS AND OTHER DEBITS						
Cash (note 3)	\$1	\$6,263			\$6,264	\$4,421
Grants receivable (note 4)		3,003			3,003	4,192
Inventory (note 10)		4,433			4,433	2,340
Fixed assets (note 5)			\$96,106		96,106	96,366
Amount to be provided for retirement of general long-term obligations				\$7,801	7,801	11,049
TOTAL ASSETS AND OTHER DEBITS	\$1	\$13,699	\$96,106	\$7,801	\$117,607	\$118,368
LIABILITIES, EQUITY, AND OTHER CREDITS						
Liabilities:						
Cash overdraft (note 3)		\$496			\$496	
Accounts payable		5,764			5,764	
Due to Louisiana Governor's Office of Elderly Affairs						\$27
Bank loan (notes 8 and 9)				\$7,801	7,801	11,049
Total Liabilities	NONE	6,260	NONE	7,801	14,061	11,076
Equity and Other Credits:						
Investment in general fixed assets			\$96,106		96,106	96,366
Fund balances:						
Reserved for inventory		4,433			4,433	2,340
Unreserved - undesignated	\$1	3,006			3,007	8,586
Total Equity and Other Credits	1	7,439	96,106	NONE	103,546	107,292
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$1	\$13,699	\$96,106	\$7,801	\$117,607	\$118,368

The accompanying notes are an integral part of this statement.

TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED
St. Joseph, Louisiana
GOVERNMENTAL FUNDS

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1996

	GENERAL	SPECIAL REVENUE	TOTALS (MEMORANDUM ONLY)	
			1996	1995
REVENUES				
Intergovernmental:				
Louisiana Governor's Office of Elderly Affairs	\$11,779	\$184,407	\$196,186	\$203,225
Louisiana Department of Health and Human Services		15,808	15,808	7,867
Louisiana Association of Councils on Aging		1,172	1,172	1,270
Delta American Healthcare, Inc.				2,524
Miscellaneous:				
Client contributions		4,158	4,158	3,859
In-kind contributions		4,930	4,930	8,500
Other		3,100	3,100	4,207
Total revenues	11,779	213,575	225,354	231,452
EXPENDITURES				
Personal services	6,948	95,920	102,868	113,974
Employee-related benefits	268	10,893	11,161	12,157
Meals		40,953	40,953	43,561
Travel		1,787	1,787	2,602
Operating services		51,285	51,285	44,494
Operating supplies		11,029	11,029	9,470
Capital outlay		371	371	13,518
Other	1,759	3,251	5,010	
Debt service:				
Principal		3,248	3,248	
Interest		1,128	1,128	
Total expenditures	8,975	219,865	228,840	239,776
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	2,804	(6,290)	(3,486)	(8,324)
OTHER FINANCING SOURCES (Uses)				
Bank loan proceeds				11,049
Operating transfers in		49,127	49,127	36,534
Operating transfers out	(2,803)	(46,324)	(49,127)	(36,534)
Total other financing sources (uses)	(2,803)	2,803	NONE	11,049
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	1	(3,487)	(3,486)	2,725
FUND BALANCES AT BEGINNING OF YEAR	NONE	10,926	10,926	8,201
FUND BALANCES AT END OF YEAR	\$1	\$7,439	\$7,440	\$10,926

The accompanying notes are an integral part of this statement.

TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED
St. Joseph, Louisiana
GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
(Excluding Title XIX Medical Assistance Program, Emergency
Medical Services, Helping Hands, Medicaid Enrollment,
Special Local Account, and Cash-in-Lieu of Commodities
Special Revenue Funds)

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget
(Non-GAAP Basis) and Actual
For the Year Ended June 30, 1996

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Intergovernmental - Louisiana			
Governor's Office of Elderly Affairs	\$166,358	\$166,358	
Client contributions	3,972	4,158	\$186
In-kind contributions	4,420	4,930	510
Total revenues	174,750	175,446	696
EXPENDITURES			
Personal services	89,831	88,391	1,440
Employee-related benefits	10,712	10,814	(102)
Meals	44,500	40,953	3,547
Travel	2,000	1,787	213
Operating services	41,029	44,774	(3,745)
Operating supplies	7,750	9,879	(2,129)
Capital outlay	300	371	(71)
Other	3,561	3,251	310
In-kind contributions	4,420	4,930	(510)
Total expenditures	204,103	205,150	(1,047)
EXCESS OF EXPENDITURES OVER REVENUES	(29,353)	(29,704)	(351)
OTHER FINANCING SOURCES (Uses)			
Operating transfers in	50,083	49,120	(963)
Operating transfers out	(20,730)	(21,756)	(1,026)
Total Other Financing Sources (uses)	29,353	27,364	(1,989)
EXCESS OF EXPENDITURES AND OTHER USES OVER REVENUES AND OTHER SOURCES	NONE	(2,340)	(2,340)
FUND BALANCES AT BEGINNING OF YEAR	NONE	2,340	2,340
FUND BALANCES AT END OF YEAR	NONE	NONE	NONE

The accompanying notes are an integral part of this statement.

**TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**
St. Joseph, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

In 1964, the state of Louisiana passed Act 456 which authorized the charter of voluntary councils on the aging for the welfare of the aging people in their representative parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Louisiana Governor's Office of Elderly Affairs. The Tensas Parish Council on the Aging, Incorporated, is a non-profit corporation which must comply with the policies and regulations established by the Louisiana Governor's Office of Elderly Affairs the state agency which provides the council on aging with most of its revenues. The council on aging also receives revenues from other Federal, state, and local government agencies which may impose certain restrictions upon how the council on aging can use the money that they have provided.

The council on aging is not a component unit of another primary government nor does it have any component units which are related to it. Therefore, the council has presented its financial statements as a special-purpose government.

The primary function of the Tensas Parish Council on the Aging, Incorporated, is to improve the quality of life for the parish's elderly and to provide services to the elderly, as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Such services include providing meals, nutritional education, information and referral services, legal assistance, homemaker services, operating senior centers, and transportation. A board of directors, consisting of 11 members, who serve 3-year terms, governs the council on aging. The board of directors is a voluntary board; therefore, no compensation has been paid to any member.

B. BASIS OF PRESENTATION

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification and

**TENSAS PARISH COUNCIL ON THE
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St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.

The accompanying financial statements of the Tensas Parish Council on the Aging, Incorporated, conform to generally accepted accounting principles for state and local governmental units. These statements have also incorporated any applicable requirements set forth by Audits of State and Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accounts; Subsection VI - Annual Financial Reporting, accounting manual for Governor's Office of Elderly Affairs contractors; and, the Louisiana Governmental Audit Guide.

C. FUND ACCOUNTING

The accounts of the council on aging are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types and two broad fund category (account groups).

The governmental funds and the programs comprising them as presented in the financial statements are described as follows:

General Fund

The General Fund is the general operating fund of the council on aging. It is used to account for all financial resources, except those required to be accounted for in another fund. These discretionary funds are accounted for and reported according to the source (Federal, state, or local) from which they are derived. PCOA (Act 735) funds are account for in the General Fund. These funds are appropriated for the Governor's Office of Elderly Affairs by the Louisiana Legislature for remittance to the council on aging. The council on aging may use these "Act 735" funds at its discretion.

**TENSAS PARISH COUNCIL ON THE
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St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources (other than special assessments and major capital projects) that are legally restricted to expenditures for specified purposes.

The following are the funds that comprise the council on aging's special revenue funds:

Title III-B Administration Fund

The Title III-B Administration Fund accounts for the administration of the Special Programs for the Aging. Title III-B Administration Funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the council on aging. These funds are used to pay for administrative costs associated with the Title III and Senior Center programs.

Title III-B Supportive Services Fund

Title III-B funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs which "passes through" the funds to the council on aging. This program provides access services, in-home services, community services, legal assistance, and transportation for the elderly.

Title III-C-1 Congregate Meals Fund

Title III-C-1 funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the council on aging. These funds are used to provide nutritional congregate meals to the elderly in strategically located centers.

**TENSAS PARISH COUNCIL ON THE
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St. Joseph, Louisiana
Notes to the Financial Statements (Continued)

Title III-C-2 Home Delivered Meals Fund

Title III-C-2 funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the council on aging. These funds are used to provide nutritional meals to home-bound older persons.

Title III-D In-Home Services Fund

The III-D In-Home Services Fund accounts for funds which are used to provide in-home services to frail older individuals, including in-home supportive services for older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, and to the families of such victims. Title III-D funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council on aging.

Title III-F Frail, Elderly Assistance Program Fund

The Title III-F Frail, Elderly Assistance Program Fund accounts for funds used for disease prevention and health promotion activities including (1) equipment and materials (scales to weigh people, educational materials, and exercise equipment), (2) home injury control, (3) medication management, (4) mental health, (5) nutrition (assessment/screening, counseling, and education). The law directs the state agency administering this program to "give priority to areas of the state which are medically underserved and in which there are a large number of older individuals who have the greatest economic and social need." Title III-F funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the council on aging.

**TENSAS PARISH COUNCIL ON THE
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St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

Senior Center Fund

The Senior Center Fund accounts for the administration of Senior Center Program funds appropriated by the Louisiana Legislature to the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the council on aging. This program provides community service centers at which older persons receive supportive services and participate in activities that foster their independence, enhance their dignity, and encourage their involvement in and with the community.

Title XIX Medical Assistance Program Fund

The Title XIX Medical Assistance Program Fund accounts for funds which are used to provide payments for medical services provided to (1) cash assistance recipients, (2) members of certain mandatory and optional groups who do not receive cash assistance, and (3) other medically needy people who qualify under program guidelines. Title XIX Funds are provided by the United States Department of Health and Human Services through the Louisiana Department of Health and Human Services, which "passes through" the funds to the council on aging as a reimbursement for costs incurred by the Council.

Emergency Medical Services Fund

The Emergency Medical Services Fund accounts for fees collected and remitted to the Louisiana Governor's Office of Elderly Affairs for the use of medical assistance paging devices used by elderly citizens.

Audit Fund

The Audit Fund accounts for funds appropriated by the Louisiana Legislature to the Louisiana Governor's Office of Elderly Affairs for distribution to the parish councils on the aging. The funds are restricted to use as a supplement to pay for the cost of having an annual audit of the council on aging's financial statements.

**TENSAS PARISH COUNCIL ON THE
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St. Joseph, Louisiana
Notes to the Financial Statements (Continued)

Helping Hands Fund

The Helping Hands Fund accounts for the administration of the Helping Hands Program that is sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the Louisiana Association of Councils on Aging (LACOA) which in turn remits funds relating to Tensas Parish to the council on aging so that it can provide assistance to the elderly for the payment of their utility bills.

Medicaid Enrollment Fund

The Medicaid Enrollment Fund accounts for fees for enrolling needy persons in the Medicaid Program. The fees are provided by the United States Department of Health and Human Services passed through the Louisiana Department of Health and Human Services, which "passes through" the funds to the council on aging. The fees are used at the discretion of the Council on Aging.

Miscellaneous Grant Fund

The Miscellaneous Grant Fund accounts for funds provided by the State of Louisiana through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the council on aging. The miscellaneous grant funds are used to supplement other programs of the council on aging.

Special Local Account

The Special Local Account accounts for funds donated by individuals for specific purposes, such as capital outlay purchases of vehicles and other special equipment.

**TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

Cash-in-Lieu of Commodities Fund

Cash-in-lieu of commodities are provided by the United States Department of Agriculture through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the council on aging. These funds are used to provide nutritional meals to older persons.

D. ACCOUNT GROUPS

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The following two account groups are not "funds".

GENERAL FIXED ASSETS

The fixed assets (capital outlays) used in governmental funds operations of the Tensas Parish Council on the Aging, Incorporated, are accounted for (capitalized) in the General Fixed Assets Account Group and are recorded as expenditures in the governmental funds when purchased.

GENERAL LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are accounted for in the General Long-Term Obligations Account Group. The General Long-Term Obligations Account Group shows only the measurement of financial position and is not involved with measurement of results of operations.

E. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds, including the General and Special Revenue Funds, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included

**TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets.

Governmental funds are maintained on the modified accrual basis of accounting. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Intergovernmental grant revenues are recognized in the governmental funds as revenues in the amount earned, to the extent that they are both measurable and available. Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized when due.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying event occurs.

F. BUDGETS

The Tensas Parish Council on the Aging, Incorporated, prepares and adopts annual budgets only on funds received through the Louisiana Governor's Office of Elderly Affairs (LGOEA), as required by LGOEA. These funds are accounted for in the special revenue funds and include Title III-B Administration Services, Title III-B Supportive Services, Title III-C-1 Congregate Meals, Title III-C-2 Home Delivered Meals, Title III-D In-Home Services, Title III-F Frail, Elderly Assistance, Senior Center, Miscellaneous Grant, and Audit Fund. Cash-in-lieu of commodities is budgeted as operating transfers in to Title III-C-1 and C-2.

**TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

The Louisiana Governor's Office of Elderly Affairs "LGOEA" notifies the council on aging 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 LGOEA and then submits the budget to the Board of Directors for approval. The Board of Directors reviews and adopts the budget before June 30 of the current year for the next year.

The proposed budgets for the year ended June 30, 1996, were submitted to and approved by the board of directors on May 18, 1995. The budgets, which include proposed expenditures and the means of financing them for certain special revenue funds, were also submitted for final approval to the Louisiana Governor's Office of Elderly Affairs on May 18, 1995, in accordance with Appendix A of the Accounting Manual for Office of Elderly Affairs Contractors.

Unobligated grant funds at year end that were received through the LGOEA must be returned to the LGOEA. Revenues earned by or donated to the council may be carried into the ensuing year. Budgets are prepared on the modified accrual basis of accounting, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures. Funds not received through LGOEA are not budgeted, except for in-kind contributions which are not received through LGOEA, but are budgeted. Budgeted expenditures cannot legally exceed appropriations on an individual fund level. Actual amounts are compared to budget amounts periodically during the fiscal year as a management control device. The council on aging does not recognize or record encumbrances in its budget practices.

Generally, the council on aging may transfer funds between line items as often as required but must obtain prior approval from the Louisiana Governor's Office of Elderly Affairs for Funds received under grants from this state agency. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

The council on aging adopted budgets for all special revenue funds, except for the Title XIX Medical Assistance Program, Emergency Medical Services, Helping Hands, Medicaid Enrollment, Special Local Account, and Cash-in-Lieu of Commodities Special Revenue Funds. These programs and revenues are not required to be budgeted by the Louisiana Governor's Office of Elderly Affairs.

**TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

The following reconciles the excess of expenditures and other uses over revenues and other sources shown on Statement C (budget basis) with the excess (deficiency) of revenues and other sources over expenditures and other uses on Statement B (GAAP Basis) for the special revenue funds:

Excess of expenditures and other uses over revenues and other sources (Statement C)	(\$2,340)
To adjust for funds and programs not budgeted	<u>(1,147)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (Statement B)	<u>(\$3,487)</u>

G. ENCUMBRANCES

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not used by the Tensas Parish Council on the Aging, Incorporated, in its accounting practices.

H. CASH

Cash includes amounts in demand deposits. Under state law, the council on aging may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

I. INVENTORIES

Inventory of the Title III-C-1 Congregate Meals and Title III-C-2 Home Delivered Meals Special Revenue Funds consists of food purchased by the council on aging. Inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at the lower of cost (first-in, first-out) or market. Inventories in the governmental

**TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

fund type are equally offset by a fund balance reserve which shows that these inventories do not constitute "available spendable resources" even though they are a component of total assets.

J. FIXED ASSETS, INCLUDING PROPERTY LEASED UNDER CAPITAL LEASES

Fixed assets of governmental funds are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. Purchased fixed assets are valued at historical cost and donated fixed assets are stated at their estimated fair market value on the date donated. Of the \$96,106 of fixed assets reported on the balance sheet, \$200 or .2 per cent, of the fixed assets are valued at their estimated fair market value on the date donated, \$2,595 or 2.7 per cent are valued at their estimated historical cost, while the remaining \$93,311 or 97.1 per cent are valued at their historical cost.

K. CAPITAL LEASES - BANK LOANS

Capital leases (bank loans) are recorded at the inception of the loan as capital outlay expenditures and other financing sources in the Title XIX Medical Assistance Program Special Revenue Fund and as assets and liabilities in the General Fixed Assets and General Long-term Obligations Account Groups, respectively, at the present value of the minimum loan payments, using the interest rates stated in the loan. Loan payments are recorded as expenditures on the due date; the portion of the payments applicable to principle, determined by using *interest rates implicit in the loan*, is reported as a reduction of the capitalized loan obligation in the General Long-Term Obligations Account Group.

L. COMPENSATED ABSENCES

Employees of the Tensas Parish Council on the Aging, Incorporated, earn from 12 to 18 days of vacation leave each year, depending on their length of service. Accumulated leave of up to 40 days may be retained; however, unused vacation leave is forfeited upon termination of employment.

**TENSAS PARISH COUNCIL ON THE
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St. Joseph, Louisiana
Notes to the Financial Statements (Continued)

Employees earn 12 days of sick leave each year. Accumulated sick leave of up to 60 days may be retained; however, unused sick leave is forfeited upon termination of employment.

At June 30, 1996, the council on aging has no accumulated benefits relating to leave privileges that require accrual or disclosure to conform with generally accepted accounting principles.

M. RESERVES

Portions of fund equity are reserved for inventories which do not constitute "available spendable resources".

N. COMPARATIVE DATA

Comparative data for the prior year has been presented in the accompanying financial statements to provide an understanding of changes in the council on aging's financial position and operations. However, presentation of comparative data by fund type has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

**O. TOTAL COLUMNS ON COMBINED
STATEMENTS**

The total columns on the combined statements are captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

**2. REVENUE RECOGNITION - INTERGOVERNMENTAL GRANTS, PUBLIC
SUPPORT, AND MISCELLANEOUS REVENUES**

A. INTERGOVERNMENTAL GRANTS

Intergovernmental grant revenues are recorded in governmental funds as revenues in the accounting period when they become susceptible to accrual, that is, measurable and available (modified accrual basis).

Title III-B Administrative Services, Title III-B Supportive Services, Title III-C-1 Congregate Meals, Title III-C-2 Home Delivered Meals, Title III-D In-Home Services, Title III-F Frail, Elderly Assistance, Senior Center, State of Louisiana Allocations (Act 735 of 1979), and Cash-in-Lieu of Commodities are received as a monthly allocation of the total grant in advance of the actual expenditures, but are not susceptible to accrual as revenue until the actual expenditures are made. Audit funds are also recognized as revenue once the related cost has been incurred, and the grant reimbursement is measurable and available.

Title XIX Medicaid Assistance funds are earned and become susceptible to accrual based upon the number of units or service provided to program participants and are recorded as revenue at that time.

B. PUBLIC SUPPORT AND MISCELLANEOUS REVENUES

The council on aging encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1, and C-2 programs. Utility assistance funds are provided from public donations to the Project Care Program sponsored by the Gulf States Utilities. The timing and amounts of the receipts of public support and miscellaneous revenues are difficult to predict; therefore, they are not susceptible to accrual and are recorded as revenue in the period received.

3. CASH

At June 30, 1996, the council on aging has cash (book balances) totaling \$5,768, in demand deposit accounts. These deposits are stated at cost, which approximates market. Since the

**TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

council on aging's cash balances are composed of both state and federal funds, cash deposits must be safeguarded under federal guidelines (Office of Management and Budget Circular A-102, Attachment A) that require federal monies be deposited in a bank with Federal Deposit Insurance Corporation (FDIC) insurance coverage and that any balance exceeding FDIC coverage be collaterally secured. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. At June 30, 1996, the council on aging has \$11,783 in deposits (collected bank balances). These deposits are fully secured from risk by federal deposit insurance (GASB Category 3).

4. GRANTS RECEIVABLE

Grants receivable at June 30, 1996, consisted of reimbursements fro expenses incurred under the following programs:

<u>Program</u>	<u>Fund</u>	<u>Amount</u>
Cash-in-Lieu of Commodities	Special Revenue	\$1,422
Title XIX Medical Assistance	Special Revenue	<u>1,581</u>
Total		<u>\$3,003</u>

5. CHANGES IN GENERAL FIXED ASSETS

The following provides detail on changes in general fixed assets:

	Balance July 1, 1995	Additions	Deletions	Balance June 30, 1996
Land and buildings	\$20,000			\$20,000
Furniture	2,406			2,406
Equipment	24,002	\$371	(\$631)	23,742
Automobiles	49,603			49,603
Computer software	<u>355</u>			<u>355</u>
Total general fixes assets	<u>\$96,366</u>	<u>\$371</u>	<u>(\$631)</u>	<u>\$96,106</u>

**TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**
St. Joseph, Louisiana
Notes to the Financial Statements (Continued)

	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1996</u>
Investment in general fixed assets:				
Property acquired prior to July 1, 1985*	\$27,549		(\$631)	\$26,918
Property acquired after July 1, 1985, from:				
Title III-B Adminis- tration Services	342	\$28		370
Title III-B Supportive Services	1,060	54		1,114
Title III-C-1 Con- gregate Meals	5,405	32		5,437
Title III-C-2 Home Delivered Meals	10,033	81		10,114
Senior Center	237			237
Title III-D In-Home Services	9	1		10
PCOA - Act 735	1,376			1,376
Louisiana Department of Transportation and Development	38,554			38,554
Title XIX Medical Assistance	11,153			11,153
Title III-F Frail, Elderly Assistance	299	175		474
Local	149			149
Donations	<u>200</u>			<u>200</u>
Total investment in general fixed assets	<u>\$96,366</u>	<u>\$371</u>	<u>(\$631)</u>	<u>\$96,106</u>

*Records reflecting the source from which assets were acquired were not maintained prior to July 1, 1985.

**TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**
St. Joseph, Louisiana
Notes to the Financial Statements (Continued)

6. PENSION PLAN

Substantially all employees of the Tensas Parish Council on the Aging, Incorporated, are members of the Social Security System. In addition to the employee contribution withheld at 7.62 per cent of gross salary, the council on aging contributes an equal amount to the Social Security System. Aggregate pension cost for the year was \$2,868. The council on aging does not guarantee the benefits granted by the Social Security System.

**7. POSTRETIREMENT HEALTH CARE AND
LIFE INSURANCE BENEFITS**

The Tensas Parish Council on the Aging, Incorporated, has no retired employees at June 30, 1996.

8. CAPITAL LEASE (BANK LOAN)

The council on aging records assets acquired through capital leases (bank loan) as an asset and an obligation in the accompanying financial statements. On June 14, 1995, the council on aging entered into a loan agreement with a local bank for the purchase of a 1992 Dodge van for \$11,049. The loan provides for 36 monthly payments of \$365 each. The loan payments will be made for the period July 1995 through June 1998. Interest on the loan will be 11.37 per cent. Loan payments will be made from the Title XIX Medical Assistance Program Special Revenue Fund.

The following is a schedule of future minimum loan payments, together with the present value of the net minimum loan payments, as of June 30, 1996:

Fiscal year:	
1996-97	4,375
1997-98	<u>4,375</u>
Total loan payments	8,750
Less - amounts representing interest	<u>(949)</u>
Present value of net minimum loan payments	<u>\$7,801</u>

**TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

**9. CHANGES IN GENERAL LONG-TERM
OBLIGATIONS**

The following is a summary of the long-term obligation (bank loan) transactions for the year ended June 30, 1996:

Balance at July 1, 1995	\$11,049
Additions	NONE
Deductions	<u>(3,248)</u>
Balance at June 30, 1996	<u>\$ 7,801</u>

10. INVENTORY

Inventory for Title III-C-1 Congregate Meals and Title III-C-2 Home Delivered Meals Special Revenue Funds represent purchased food on hand at June 30, 1996, and consists of the following:

Special revenue funds:

Title III-C-1 Congregate Meals	\$665
Title III-C-2 Home Delivered Meals	<u>3,768</u>
Total	<u>\$4,433</u>

11. LITIGATION, CLAIMS, AND SIMILAR CONTINGENCIES

There is no litigation pending against the council on aging at June 30, 1996, nor is the council aware of any unasserted claims.

The council on aging receives revenues from various Federal and State grant programs which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period

**TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

in which agreed upon by the agency and the council on aging. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the council on aging's financial position.

12. IN-KIND CONTRIBUTIONS

The Tensas Parish Council on the Aging, Incorporated, received \$4,930 in donated time from volunteers in the parish as in-kind contributions. In-kind contributions of volunteers' time are valued at minimum wage and are reported as revenue. Related expenditures, equal to the in-kind revenues, have been reported as salaries in the related fund, thereby producing no effect on net income. The in-kind contributions are reported in the Title III-C-1 Congregate Meals and Title III-C-2 Home Delivered Meals Special Revenue Funds.

13. 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 out-of-town travel expenses incurred in accordance with the council on aging's regular personnel policy.

14. INCOME TAX STATUS

The council on aging, a nonprofit corporation, is exempt from federal income taxation under Section 501(C)(3) of the Internal Revenue Code.

15. ECONOMIC DEPENDENCY

The council on aging receives the majority of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the council on aging 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 on aging will receive in the next fiscal year.

**TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

16. FEDERALLY ASSISTED PROGRAMS

The Council participates in a number of federally assisted programs. These programs are audited in accordance with the Single Audit Act of 1984. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, the council on aging's management believes that further examinations would not result in any significant disallowed costs.

In accordance with the Single Audit Act of 1984 and Office of Management and Budget Circular A-128, a schedule of federal financial assistance is presented as Schedule 8.

17. INTERFUND TRANSFERS

Operating transfers in and out are listed by fund for the year ended June 30, 1996:

	Operating Transfers <u>In</u>	Operating Transfers <u>Out</u>
General Fund - PCOA (Act 735)	<u>NONE</u>	<u>\$2,803</u>
Special Revenue Funds:		
Title III-B- Administration Services	\$77	
Title III-B Supportive Services	28,965	
Title III-C-1 Congregate Meals	4,598	
Title III-C-2 Home Delivered Meals	15,393	
Title III-D In-Home Services	87	

**TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**
St. Joseph, Louisiana
Notes to the Financial Statements (Concluded)

	Operating Transfers <u>In</u>	Operating Transfers <u>Out</u>
Senior Center		\$17,256
Title XIX Medical Assistance		4,240
Emergency Medical Services		7
Medicaid Enrollment		615
Miscellaneous Grant		4,500
Special Local Account Cash-in-Lieu of Commodities	\$7	
	<u> </u>	<u>19,706</u>
Total special revenue funds	<u>49,127</u>	<u>46,324</u>
Total all funds	<u>\$49,127</u>	<u>\$49,127</u>

**TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED
St. Joseph, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended June 30, 1996**

SPECIAL REVENUE FUNDS

In accordance with generally accepted accounting principles and regulations of the Louisiana Governor's Office of Elderly Affairs, a combining balance sheet, a combining schedule of revenues, expenditures, and changes in fund balances, and a budget comparison of expenditures, by funds, are presented.

TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED
St. Joseph, Louisiana
SPECIAL REVENUE FUNDS

Combining Balance Sheet, June 30, 1996

	TITLE III-B ADMINISTRATIVE SERVICES	TITLE III-B SUPPORTIVE SERVICES	TITLE III-C-1 CONGREGATE MEALS	TITLE III-C-2 HOME DELIVERED MEALS	TITLE III-D IN-HOME SERVICES
ASSETS					
Cash	\$77	\$882	\$274		\$16
Grants receivable					
Inventory			665	\$3,768	
TOTAL ASSETS	\$77	\$882	\$939	\$3,768	\$16
LIABILITIES AND FUND EQUITY					
Liabilities:					
Cash overdraft				\$496	
Accounts payable	\$77	\$882	\$939	3,272	\$16
Total liabilities	77	882	939	3,768	16
Fund Equity - fund balances (deficit):					
Reserved for inventory			665	3,768	
Unreserved - undesignated			(665)	(3,768)	
Total fund equity	NONE	NONE	NONE	NONE	NONE
TOTAL LIABILITIES AND FUND EQUITY	\$77	\$882	\$939	\$3,768	\$16

TITLE III-F FRAIL, ELDERLY ASSISTANCE PROGRAM	SENIOR CENTER	TITLE XIX MEDICAL ASSISTANCE PROGRAM	EMERGENCY MEDICAL SERVICES	HELPING HANDS	CASH-IN-LIEU OF COMMODITIES	TOTAL
\$555	\$23	\$574 1,581	\$595	\$2,154	\$1,113 1,422	\$6,263 3,003 4,433
\$555	\$23	\$2,155	\$595	\$2,154	\$2,535	\$13,699
\$555 555	\$23 23	NONE	NONE	NONE	NONE	\$496 5,764 6,260
NONE	NONE	\$2,155 2,155	\$595 595	\$2,154 2,154	\$2,535 2,535	4,433 3,006 7,439
\$555	\$23	\$2,155	\$595	\$2,154	\$2,535	\$13,699

TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED
St. Joseph, Louisiana
SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1986

	TITLE III-B ADMINISTRATION SERVICES	TITLE III-B SUPPORTIVE SERVICES	TITLE III-C-1 CONGREGATE MEALS	TITLE III-C-2 HOME DELIVERED MEALS	TITLE III-D IN-HOME SERVICES	TITLE III-F FRAIL, ELDERLY ASSISTANCE PROGRAM	SENIOR CENTER
REVENUES							
Intergovernmental:							
Louisiana Governor's Office of Elderly Affairs	\$10,537	\$34,622	\$30,022	\$63,916	\$886	\$2,130	\$18,530
Louisiana Department of Health and Human Services							
Louisiana Association of Councils on Aging							
Miscellaneous:							
Client contributions		229	1,028	2,901			
In-kind contributions			2,465	2,465			
Other							
Total revenues	10,537	34,851	33,515	69,282	886	2,130	18,530
EXPENDITURES							
Personal services	6,124	32,086	22,051	32,862	198		
Employee-related benefits	782	3,874	2,409	3,721	28		
Meals			7,159	33,794			
Travel	256	493	293	737	8		
Operating services	3,256	17,058	6,318	14,920	733		1,274
Operating supplies	168	8,955	202	549	5		
Capital outlay	28	54	32	81	1	175	
Other		1,296				1,955	
Debt service:							
Principal							
Interest							
Total expenditures	10,614	63,816	38,464	86,664	973	2,130	1,274
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(77)	(28,965)	(4,949)	(17,382)	(87)	NONE	17,256
OTHER FINANCING SOURCES (Uses)							
Operating transfers in:							
PCOA (Act 735)		2,731			72		
Senior Center		17,256			15		
Title XIX Medical Assistance Program	77	3,863		285			
Emergency Medical Services		615					
Medicaid Enrollment		4,500					
Miscellaneous Grant							
Cash-in-Lieu of Commodities			4,598	15,108			
Operating transfers out:							
Title III-B Administration Services							(17,256)
Title III-B Supportive Services							
Title III-C-1 Congregate Meals							
Title III-C-2 Home Delivered Meals							
Title III-D In-Home-Services							
Special Local Account							
Total other financing sources (uses)	77	28,965	4,598	15,393	87	NONE	(17,256)
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	NONE	NONE	(351)	(1,989)	NONE	NONE	NONE
FUND BALANCES AT BEGINNING OF YEAR	NONE	NONE	351	1,989	NONE	NONE	NONE
FUND BALANCES AT END OF YEAR	NONE	NONE	NONE	NONE	NONE	NONE	NONE

TITLE XIX MEDICAL ASSISTANCE PROGRAM	EMERGENCY MEDICAL SERVICES	AUDIT	HELPING HANDS	MEDICAID ENROLLMENT	MISCELLANEOUS GRANT	SPECIAL LOCAL ACCOUNT	CASH-IN- LIEU OF COMMODITIES	TOTAL
		\$1,215			\$4,500		\$18,049	\$184,407
\$15,808								15,808
			\$1,172					1,172
								4,158
								4,930
								3,100
15,808	\$3,100 3,100	1,215	1,172	NONE	4,500	NONE	18,049	213,575
								95,920
						\$379		10,893
								40,953
								1,787
								48,939
								11,029
								371
								5,597
								3,248
								1,128
10,133	3,053	1,215	1,150	NONE	NONE	379	NONE	219,865
								3,248
								1,128
5,675	47	NONE	22	NONE	4,500	(379)	18,049	(6,290)
								2,803
								17,256
								4,240
								7
								615
								4,500
								19,706
								(77)
(77)								(26,234)
(3,863)				(\$615)	(4,500)			(4,598)
							(4,598)	(15,393)
							(15,108)	(15)
								(7)
(4,240)	(7)	NONE	NONE	(615)	(4,500)	7	(19,706)	2,803
								2,803
								1,435
								40
								NONE
								22
								(615)
								NONE
								(372)
								(1,657)
								(3,487)
								720
								555
								NONE
								2,132
								615
								NONE
								372
								4,192
								10,926
\$2,155	\$595	NONE	\$2,154	NONE	NONE	NONE	\$2,535	\$7,439

TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED
St. Joseph, Louisiana
SPECIAL REVENUE FUNDS

Schedule of Expenditures, by Funds,
Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1996

	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)
TITLE III-B ADMINISTRATION SERVICES			
Personal services	\$6,336	\$6,124	\$212
Employee-related benefits	754	782	(28)
Travel	287	256	31
Operating services	3,017	3,256	(239)
Operating supplies	143	168	(25)
Capital outlay		28	(28)
Total	10,537	10,614	(77)
TITLE III-B SUPPORTIVE SERVICES			
Personal services	32,586	32,086	500
Employee-related benefits	3,890	3,874	16
Travel	553	493	60
Operating services	13,202	17,058	(3,856)
Operating supplies	6,876	8,955	(2,079)
Other charges	1,731	1,296	435
Capital outlay		54	(54)
Total	58,838	63,816	(4,978)
TITLE III C-1 CONGREGATE MEALS			
Personal services	19,759	19,586	173
Employee-related benefits	2,358	2,409	(51)
Meals:			
Raw food	5,400	6,111	(711)
Non-edibles	1,275	1,048	227
Travel	322	293	29
Operating services	5,325	6,318	(993)
Operating supplies	184	202	(18)
Capital outlay		32	(32)
In-kind contributions - salaries	2,210	2,465	(255)
Total	36,833	38,464	(1,631)
TITLE III C-2 HOME DELIVERED MEALS			
Personal services	30,944	30,397	547
Employee-related benefits	3,686	3,721	(35)
Meals:			
Raw food	30,600	28,475	2,125
Non-edibles	7,225	5,319	1,906
Travel	829	737	92
Operating services	15,211	14,920	291
Operating supplies	542	549	(7)
Capital outlay		81	(81)
In-kind contributions - salaries	2,210	2,465	(255)
Total	91,247	86,664	4,583

(Continued)

TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED
St. Joseph, Louisiana
SPECIAL REVENUE FUNDS

Schedule of Expenditures, by Funds,
Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1996

	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)
TITLE III-D IN-HOME SERVICES			
Personal services	\$206	\$198	\$8
Employee-related benefits	24	28	(4)
Travel	9	8	1
Operating services	759	733	26
Operating supplies	5	5	
Capital outlay		1	(1)
Total	<u>1,003</u>	<u>973</u>	30
TITLE III-F FRAIL ELDERLY ASSISTANCE			
Other charges	1,830	1,955	(125)
Capital outlay	300	175	125
Total	<u>2,130</u>	<u>2,130</u>	NONE
SENIOR CENTER			
Operating services	2,300	1,274	1,026
Transfer to Title III-B Support Services	16,230	17,256	(1,026)
Total	<u>18,530</u>	<u>18,530</u>	0
AUDIT			
Operating services	1,215	1,215	NONE
MISCELLANEOUS GRANT FUND			
Transfer to Title III-B Support Services	4,500	4,500	NONE
TOTAL	<u>\$224,833</u>	<u>\$226,906</u>	(\$2,073)

(Concluded)

**TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED
St. Joseph, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended June 30, 1996**

In accordance with the Louisiana Governor's Office of Elderly Affairs requirements, a comparative schedule of general fixed assets, a schedule of questioned costs, excerpts from the exit conference with management, and corrective action taken on prior year findings are presented.

In accordance with Office of Management and Budget Circular A-128, a schedule of federal financial assistance is presented.

TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED
St. Joseph, Louisiana

Comparative Schedule of General Fixed Assets
and Changes in General Fixed Assets
For the Year Ended June 30, 1996

	BALANCE JULY 1, 1995	ADDITIONS	DELETIONS	BALANCE JUNE 30, 1996
GENERAL FIXED ASSETS				
Buildings	\$20,000			\$20,000
Furniture	2,406			2,406
Equipment	24,002	\$371	(\$631)	23,742
Automobiles	49,603			49,603
Computer software	355			355
Total general fixed assets	<u>\$96,366</u>	<u>\$371</u>	<u>(\$631)</u>	<u>\$96,106</u>
INVESTMENT IN GENERAL FIXED ASSETS				
Property acquired prior to July 1, 1985	\$27,549		(\$631)	\$26,918
Property acquired after July 1, 1985, from:				
Title III-B Administration Services	342	\$28		370
Title III-B Support Services	1,060	54		1,114
Title III-C-1 Congregate Meals	5,405	32		5,437
Title III-C-2 Home Delivered Meals Senior Center	10,033 237	81		10,114 237
Title III-D In-Home Services	9	1		10
PCOA - Act 735 - state funds	1,376			1,376
Louisiana Department of Transportation and Development	38,554			38,554
Title XIX Medical Assistance	11,153			11,153
Title III-F - Frail Elderly Assistance	299	175		474
Local	149			149
Donations	200			200
Total investment in general fixed assets	<u>\$96,366</u>	<u>\$371</u>	<u>(\$631)</u>	<u>\$96,106</u>

**TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED
St. Joseph, Louisiana**

**Questioned Costs
For the Year Ended June 30, 1996**

No questioned costs came to my attention during the audit of the Tensas Parish Council on the Aging, Incorporated, for the year ended June 30, 1996.

**TENSAS PARISH COUNCIL ON
THE AGING, INCORPORATED
St. Joseph, Louisiana**

**Exit Conference
For the Year Ended June 30, 1996**

The exit conference was held on December 6, 1996. Those in attendance were Clar Newman, Accountant, Don Hampton, Treasurer, and Richie Garrett, auditor.

I have included in a management letter to the Board of Directors of the Tensas Parish Council on the Aging, Incorporated, the matters discussed at the exit conference.

**TENSAS PARISH COUNCIL ON
THE AGING, INCORPORATED
St. Joseph, Louisiana**

**CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS
For the Year Ended June 30, 1996**

In the prior audit report for the year ended June 30, 1995, there were no material compliance findings reported in the audit report. However, there was an immaterial finding related to purchasing a van without taking bids. In the current audit there were no purchases that came to my attention that the bid law applied. There were two nonreportable matters relating to internal controls discussed in the management letter for the year ended June 30, 1995. These matters have not been corrected and have been discussed in the management letter relating to the audit for the year ended June 30, 1996.

TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED
St. Joseph, Louisiana

Schedule of Federal Financial Assistance
For the Year Ended June 30, 1996

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM NAME	FEDERAL CFDA NUMBER	PROGRAM OR AWARD AMOUNT	REVENUE RECOGNIZED	EXPENDITURES/ ISSUES
United States Department of Agriculture Passed through Louisiana Governor's Office of Ederly Affairs - Cash-in-Lieu of Commodities	10.570	\$18,049	\$18,049	\$18,049
United States Department of Health and Human Services Passed through Louisiana Governor's Office of Elderly Affairs - Special Programs for the Aging:				
Title III-B Administration Services	93.044	7,903	7,903	7,903
Title III-B Supportive Services	93.044	29,429	29,429	29,429
Title III-C-1 Nutrition Services - Congregate Meals	93.045	28,342	28,342	28,342
Title III-C-2 Nutrition Services - Home Delivered Meals	93.045	9,886	9,886	9,886
Title III-D In-Home Services	93.046	753	753	753
Title III-F Frail, Elderly Assistance	93.043	1,650	1,650	1,650
Passed through Louisiana Department of Health and Human Services:				
Title XIX - Medical Assistance Program	93.778	15,808	15,808	15,808
Total United States Department of Health and Human Services		93,771	93,771	93,771
Total		\$111,820	\$111,820	\$111,820

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control structure and compliance with laws and regulations required by Government Auditing Standards, issued by the Comptroller General of the United States. *The report on internal control structure is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the presented financial statements and presents, where applicable, compliance matters that would be material to the presented financial statements.*

RICHARD B. GARRETT
Certified Public Accountant
149 Turtledove Drive
Monroe, Louisiana 71203

Independent Auditor's Report on Internal Control
Process Based on An Audit of the General Purpose
Financial Statements Performed in Accordance
with Government Auditing Standards

**BOARD OF DIRECTORS
TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**
St. Joseph, Louisiana

I have audited the general purpose financial statements of the Tensas Parish Council on the Aging, Incorporated, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 6, 1996.

I conducted my audit in accordance with generally accepted auditing standards 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 general purpose financial statements are free of material misstatement.

Management of the Tensas Parish Council on the Aging, Incorporated, is responsible for establishing and maintaining an internal control process. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control process policies and procedures. The objectives of an internal control process are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitation in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

EXHIBIT A

RICHARD B. GARRETT

**BOARD OF DIRECTORS
TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**

Internal Control Report

December 6, 1996

Page 2

In planning and performing my audit of the general purpose financial statements of the Tensas Parish Council on the Aging, Incorporated, as of and for the year ended June 30, 1996, I obtained an understanding of the internal control process. With respect to the internal control process, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control process. Accordingly, I do not express such an opinion.

My consideration of the internal control process would not necessarily disclose all matters in the internal control process that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control process elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control process and its operation that I consider to be material weaknesses as defined above.

However, I noted certain matters involving the internal control process and its operation that I have reported to management of the Tensas Parish Council on the Aging, Incorporated, in a separate letter dated December 6, 1996

My comments on the internal control process are not intended for the information and use of the council on aging and management of its office. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.



RICHARD B. GARRETT

Monroe, Louisiana
December 6, 1996

EXHIBIT A

RICHARD B. GARRETT
Certified Public Accountant
149 Turtledove Drive
Monroe, Louisiana 71203

Independent Auditor's Report on Compliance
Based on An Audit of the General Purpose
Financial Statements Performed in Accordance with
Government Auditing Standards

BOARD OF DIRECTORS
TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED
St. Joseph, Louisiana

I have audited the general purpose financial statements of the Tensas Parish Council on the Aging, Incorporated, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 6, 1996.

I conducted my audit in accordance with generally accepted auditing standards 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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, grants, and the regulations of the Louisiana Governor's Office of Elderly Affairs applicable to the Tensas Parish Council on the Aging, Incorporated, is the responsibility of management of the council on aging. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the council on aging's compliance with certain provisions of laws, regulations, contracts, grants, and the regulations of the Louisiana Governor's Office of Elderly Affairs. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

EXHIBIT B

RICHARD B. GARRETT

**BOARD OF DIRECTORS
TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**

Compliance Report

December 6, 1996

Page 2

My comments on compliance with laws and regulations are intended for the information and use of management of the council on aging. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.



RICHARD B. GARRETT

Monroe, Louisiana

December 6, 1996

EXHIBIT B

**OTHER REPORTS REQUIRED BY
OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-128**

The following pages contain information on the supplemental Schedule of Federal Financial Assistance, internal control, and compliance with laws and regulations required by OMB Circular A-128. The report on the supplemental Schedule of Federal Financial Assistance reports the revenue recognized and the expenditures under federal financial assistance programs. The report on internal accounting and administrative controls relates to matters that would be significant and/or material to federal assistance programs. The report on compliance with laws and regulations is, likewise, related to tests of compliance with laws and regulations relating to federal financial assistance programs.

RICHARD B. GARRETT
Certified Public Accountant
149 Turtledove Drive
Monroe, Louisiana 71203

Independent Auditor's Report on the Schedule of
Federal Financial Assistance

BOARD OF DIRECTORS
TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED
St. Joseph, Louisiana

I have audited the general purpose financial statements of the Tensas Parish Council on the Aging, Incorporated, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 6, 1996. These general purpose financial statements are the responsibility of management of the Tensas Parish Council on Aging, Incorporated. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also included 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.

EXHIBIT C

RICHARD B. GARRETT

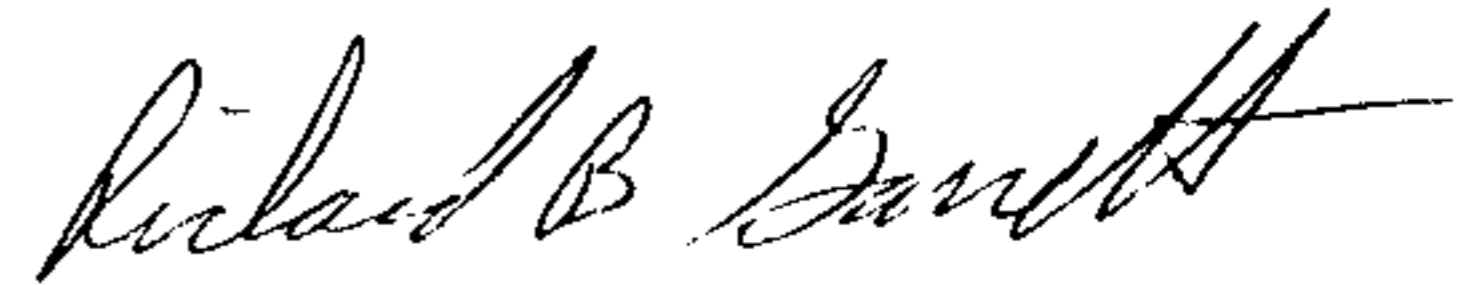
**BOARD OF DIRECTORS
TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**

Federal Financial Assistant Report

December 6, 1996

Page 2

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Tensas Parish Council on the Aging, Incorporated, taken as a whole. The Schedule of Federal Financial Assistance, Supplemental Information Schedule 8, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



RICHARD B. GARRETT

Monroe, Louisiana

December 6, 1996

EXHIBIT C

RICHARD B. GARRETT
Certified Public Accountant
149 Turtledove Drive
Monroe, Louisiana 71203

Independent Auditor's Report on Internal Control
Process Used in Administering Federal
Financial Assistance Programs

BOARD OF DIRECTORS
TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED
St. Joseph, Louisiana

I have audited the general purpose financial statements of the Tensas Parish Council on the Aging, Incorporated, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 6, 1996.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general propose financial statements are free of material misstatement.

In planning and performing my audit as of and for the year ended June 30, 1996, I considered the internal control structure of the Tensas Parish Council on the Aging, Incorporated, in order to determine my auditing procedures for the purpose of expressing my opinion on the Tensas Parish Council on the Aging, Incorporated's, general purpose financial statements and to report on the internal control process in accordance with OMB Circular A-128, This report addresses my consideration of the internal control process policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. I have addressed internal control process policies and procedurs relevant to my audit of the general purpose financial statements in a separate report dated December 6, 1996.

Management of the Tensas Parish Council on the Aging, Incorporated, is responsible for establishing and maintaining an internal control process. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected

EXHIBIT D

RICHARD B. GARRETT

**BOARD OF DIRECTORS
TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**

Federal Assistance Control Report

December 6, 1996

Page 2

benefits and related costs of the internal control process policies and procedures. The objectives of an internal control process are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulation. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the process to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I have classified the significant internal control process policies and procedures used in administering federal financial assistance programs into the following categories.

Accounting Controls

Treasury/financing
Budgeting and budget
reporting

Revenues/receipts
Purchases/disbursements/
payroll

Grant Administrative Controls

General requirements:

Political activity
Civil rights
Cash management
Federal financial reports
Cost allocation
Drug-free workplace

Specific requirements:

Eligibility
Types of services
Client contributions

EXHIBIT D

RICHARD B. GARRETT

**BOARD OF DIRECTORS
TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**

Federal Assistance Control Report

December 6, 1996

Page 3

For all of the internal control process categories listed above, I obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and I assess control risk.

During the year ended June 30, 1996, the Tensas Parish Council on the Aging, Incorporated, had no major federal financial assistance programs and expended 100 percent of its total federal financial assistance under the following nonmajor federal financial assistance programs:

- Title III-B Administration Services
- Title III-B Supportive Services
- Title III-C-1 Nutrition Services -
Congregate Meals
- Title III-C-2 Nutrition Services -
Home Delivered Meals
- Title III-D In-Home Services
- Title III-F Frail, Elderly Assistance
- Cash-in-Lieu of Commodities
- Title XIX - Medical Assistance Program

I performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control process policies and procedures that I have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements that are applicable to the aforementioned nonmajor programs. My procedures were less in scope than would be necessary to render an opinion on these internal control process policies and procedures. Accordingly, I do not express such an opinion.

My consideration of the internal control process policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control process that might constitute material weaknesses under standards established by the American Institute of Certified public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control process elements does not reduce to a relatively

EXHIBIT D

RICHARD B. GARRETT

**BOARD OF DIRECTORS
TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**

Federal Assistance Control Report

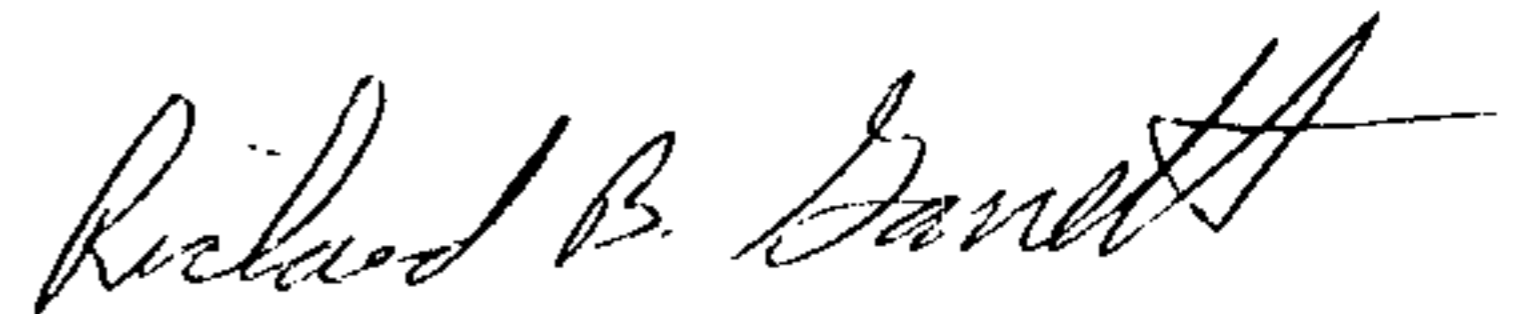
December 6, 1996

Page 4

low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control process and its operation that I consider to be material weaknesses as defined previously.

However, I noted certain matters involving the internal control process and its operation that I have reported to the management of the Tensas Parish Council on the Aging, Incorporated, in a separate letter dated December 6, 1996.

My comments on internal control structure relating to federal financial assistance programs are intended for the information and use of the council on aging and management of its office. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.



RICHARD B. GARRETT

Monroe, Louisiana
December 6, 1996

EXHIBIT D

RICHARD B. GARRETT
Certified Public Accountant
149 Turtledove Drive
Monroe, Louisiana 71203

Independent Auditor's Report on Compliance
With the General Requirements Applicable to
Federal Financial Assistance Programs

**BOARD OF DIRECTORS
TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**
St. Joseph, Louisiana

I have audited the general purpose financial statement of the Tensas Parish Council on the Aging, Incorporated, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 6, 1996.

I have applied procedures to test the Tensas Parish Council on the Aging, Incorporated's, compliance with the following requirements applicable to federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1996:

Political activity	Civil rights
Cash management	Federal financial reports
Cost allocation	Drug-free workplace

My procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Tensas Parish Council on the Aging, Incorporated's, compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to the items not tested, nothing came to my attention that caused me to believe that the Tensas Parish Council on the Aging, Incorporated, had not complied, in all material respects, with those requirements.

EXHIBIT E

RICHARD B. GARRETT

**BOARD OF DIRECTORS
TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**

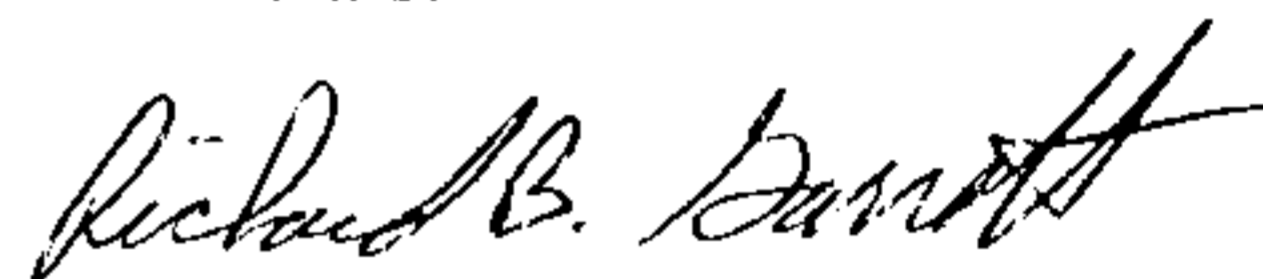
Federal Assistance Programs -

General Requirements

December 6, 1996

Page 2

My comments on compliance with laws and regulations are intended for the information and use of the council on aging and management of its office. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.



RICHARD B. GARRETT

Monroe, Louisiana

December 6, 1996

EXHIBIT E

RICHARD B. GARRETT
Certified Public Accountant
149 Turtledove Drive
Monroe, Louisiana 71203

Independent Auditor's Report on Compliance With
the Specific Requirements Applicable to Nonmajor
Federal Financial Assistance Transactions

**BOARD OF DIRECTORS
TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**
St. Joseph, Louisiana

I have audited the general purpose financial statements of the Tensas Parish Council on the Aging, Incorporated, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 6, 1996.

In connection with my audit of the general purpose financial statements of the Tensas Parish Council on the Aging, Incorporated, control process used to administer federal financial assistance programs, as required by OMB Circular A-128, Audits of State and Local Governments, I selected certain transactions applicable to certain nonmajor federal financial assistance programs, for the year ended June 30, 1996. As required by OMB Circular A-128, I have performed auditing procedures to test compliance with the requirements governing eligibility, types of services, and client contributions that are applicable to those transactions. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the council on aging's compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to the items not tested, nothing came to my attention, that caused me to believe that the Tensas Parish Council on the Aging, Incorporated, had not complied, in all material respects, with those requirements.

EXHIBIT F

RICHARD B. GARRETT

**BOARD OF DIRECTORS
TENSAS PARISH COUNCIL ON THE
AGING, INCORPORATED**

Federal Assistance Programs -
Specific Requirements

December 6, 1996

Page 2

My comments on compliance with laws and regulations are intended for the information and use of the council on aging and management of its office. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.



RICHARD B. GARRETT

Monroe, Louisiana
December 6, 1996

EXHIBIT F

RICHARD B. GARRETT
Certified Public Accountant
149 Turtledove Drive
Monroe, Louisiana
(318)343-8235

December 6, 1996

Board of Directors
Tensas Parish Council on the
Aging, Incorporated
Post Office Box 726
St. Joseph, Louisiana 71366

Dear Board of Directors:

I have completed my audit of the Tensas Parish Council on the Aging, Incorporated, for the year ended June 30, 1996. I would like to discuss with you the results of my audit.

Internal Controls

Internal controls are the "checks and balances" to help ensure that the accounting records properly reflect receipts and disbursements and the year end fund balance. The "checks and balances" also help ensure that state and federal laws and regulations are complied with. Internal controls should bring to the attention of employees in the course of performing their assigned duties when receipts and disbursements are not properly recorded or when state and federal laws and regulations are not being complied with.

In my review of your system of internal control, I noted the following areas in which I feel could be improved by implementing the following recommendations:

REVIEW OF COST ALLOCATION PLAN

The council on aging is required annually to prepare and submit a cost allocation plan to the Louisiana Governor's Office of Elderly Affairs (LGOEA) for approval. Expenditures should be disbursed between direct and indirect cost to the various funds based on this cost allocation plan. The council on aging did prepare and submit the 1995-96 cost allocation plan to LGOEA. The council on aging used the cost allocation plan worksheets to allocate expenditures to the various programs instead of the cost allocation recap sheet. This resulted in the 1995-96 expenditures being improperly allocated to the various funds of the council on aging as follows:

A. Fringe benefits (director's and assistant director's hospital insurance & HCFA Medicare Ins.):

The indirect portion was properly allocated. The direct portion was distributed by taking, from work sheet #1, the budgeted fringe benefits of each program as a percent of total fringe benefits of all programs. The direct portion of the fringe benefits distribution, per the cost allocation plan recap, is based on budgeted salaries and not budgeted fringe benefits. As a result of basing the distribution on budgeted fringe benefits and not budgeted salaries, the following services in Title 3-B Support Services were charged the incorrect amount.

Fund	Allocation %	Allocation \$	Actual %	Actual \$	Over/Under
	Should Be	Should Be			Stated
I&A	5%	\$47.94	7%	\$ 67.10	\$19.16
Visit.	4%	38.34	3%	28.76	(9.58)
Tele.	4%	<u>38.34</u>	3%	<u>28.76</u>	<u>(9.58)</u>
Total		<u>\$124.62</u>		<u>\$124.62</u>	<u>\$0.00</u>

B. Auto and liability insurance:

Auto and liability insurance were disbursed by taking, from work sheet #1, the budgeted building and auto insurance of each program as a percent of total building and auto insurance of all programs and multiplying the percent times the actual amount. This is the amount that was allocated to the appropriate fund.

According to the cost allocation plan recap, auto insurance should be charged 100 per cent direct to Title III-B Transportation (account 224) and liability insurance should be allocated 100 percent to indirect cost. As a result of distributing auto and liability insurance based on work sheet #1 and not on the cost allocation plan recap, the following amounts were not correctly distributed.

Fund	Allocation Dollar Amount Should Be	Actual Dollar Amount Allocation	Over/Under Stated
Title III-B - AAA	\$783.51	\$393.72	(\$389.79)
Title III-B - S. S.	8,517.14	7,274.40	(1,242.74)
Title III-C-1	879.61	1,122.72	243.11
Title III-C-2	2,262.08	2,691.84	429.76
Title III-D	25.66	12.72	(12.94)
Senior Center	<u>.00</u>	<u>972.60</u>	<u>972.60</u>
Total	<u>\$12,468.00</u>	<u>\$12,468.00</u>	<u>\$0.00</u>

C. Utilities - LP&L:

According to the cost allocation plan, utilities for building C should be allocated 100 percent to Title 3-B, C-1, and C-2. The utilities for building C were allocated 100 per cent to direct, but were not allocated to the programs in the same percentages as the cost allocation plan. Utilities were incorrectly distributed to the various programs as follows:

<u>Fund</u>	<u>Allocation % Should Be</u>	<u>Allocation \$ Should Be</u>	<u>Actual %</u>	<u>Over/Under</u>	
				<u>Actual \$</u>	<u>Stated</u>
3-B	55%	\$2,626.50	46%	\$2,196.71	(\$429.79)
C-1	20%	955.09	21%	1,002.84	47.75
C-2	25%	1,193.86	25%	1,193.86	0.00
SC	00%	<u>0.00</u>	8%	<u>382.04</u>	<u>382.04</u>
Total		<u>\$4,775.45</u>		<u>\$4,775.45</u>	<u>0.00</u>

In the 2 previous audits (June 30, 1994 and June 30, 1995) were also comments related to not properly allocating expenditures in accordance with the approved cost allocation plan.

To help ensure that the proper cost allocation plan is being used and to ensure that the amounts are distributed in accordance with the cost allocation plan, the director should occasionally review expenditures to see that they have been allocated in accordance with the cost allocation plan.

DOCUMENTATION OF COST ALLOCATION PLAN

The council on aging annually prepares a cost allocation plan and submits it to Louisiana Governor's Office of Elderly Affairs for approval. The cost allocation plan is based on estimates for salaries, utilities, etc. and not on actual expenditures.

The cost allocation plan allocation rates should be based on documented expenditures. For example, salaries should be based on bi-weekly time sheets or on a time and motion study. Utilities should be based on square footage of the building or some other equitable allocation method.

The cost allocation plan should be based on actual expenditures to ensure that the proper amount is allocated to each fund.

PURCHASED FOOD INVENTORY

A perpetual inventory system helps keep up with the inventory on hand, the amount and cost of food items received, and the date and amount of food items removed from inventory. By keeping an accurate, up to-date inventory system, it helps ensure that all food items are properly accounted for. It also helps to ensure that inventory is properly safeguarded against misuse or theft.

In the audit it was determined that the council on aging is not maintaining a perpetual inventory system for purchased food. As in the previous audit, I am recommending that the council on aging set up individual accounts for each food item in inventory. The account should record all receipts of food items and the removal of all food items from inventory. The inventory account should also include the price of the goods received and on hand. The inventory records should be kept as current as possible. The council on aging should take a physical inventory at least quarterly and adjust the perpetual inventory records as necessary.

GENERAL

The following general items should be addressed by the Tensas parish Council on Aging, Incorporated:

Vacation and Sick Leave Policy

The council on aging paid an employee for unused annual leave upon termination with the council on aging. The council on aging's personnel policy states that employees are not compensated for unused annual or sick leave upon termination.

The council on aging has the authority to establish a policy regarding compensating employees or not compensating for unused annual and sick leave upon their termination. The council should abide by their policy when paying employees for unused leave.

Non-discrimination Policy

In reviewing the client files, there were 7 of 20 client files examined that did not contain a signed non-discrimination policy. According to LGOEA guidelines, all person's receiving services should be aware of the non-discrimination policy.

The council on aging should review all client files and have clients that have not signed a non-discrimination policy to sign one and include it in their file.

Audit Adjustments

The following is a recap of audit adjustments. The following audit adjustments were not included in the year end reports submitted to the Louisiana Governor's Office of Elderly Affairs. The adjustments have been included in the audited financial statements.

- A. Accounts payable have been increased by \$2,165.94 from \$3,598.82 to \$5,764.76. The following funds expenditures have been increased because of the additional payables.

Title III-B	Administration	\$77.16
Title III-B	Support Services	447.30
Title III-C-1	Congregate Meals	548.12
Title III-C-2	Home Delivered Meals	1,054.41
Title III-D	In Home Services	16.03
Senior Center		<u>22.92</u>
Total		<u>\$2,165.94</u>

- B. Accounts receivable have been increased from \$1,580.50 to \$3,002.50 for an additional receivable for Cash-in-lieu of commodities.
- C. Transfers from Title XIX Medical Assistance, Senior Center, and Cash-in-Lieu Commodities to Title III programs were refunded for the excess of receipts over expenditures in the Title III-B programs.
- D. The general fixed assets at June 30, 1996 were overstated by \$370.98. The current year additions to general fixed assets were included in the beginning balance and as current year additions; thus, overstating general fixed assets by \$370.98 at June 30, 1996.

PRIOR AUDIT

In the prior audit the following matters were discussed.

COST ALLOCATION PLAN

In the 2 previous audits (June 30, 1994 and June 30, 1995) were comments related to not properly allocating expenditures in accordance with the approved cost allocation plan.

In the current audit, as previously stated, the council on aging did not allocate cost to the various programs in accordance with the approved cost allocation plan. Again I recommend, that the director occasionally review expenditure distributions to see that they have been allocated in accordance with the current year cost allocation plan.

PURCHASED FOOD PERPETUAL INVENTORY RECORDS

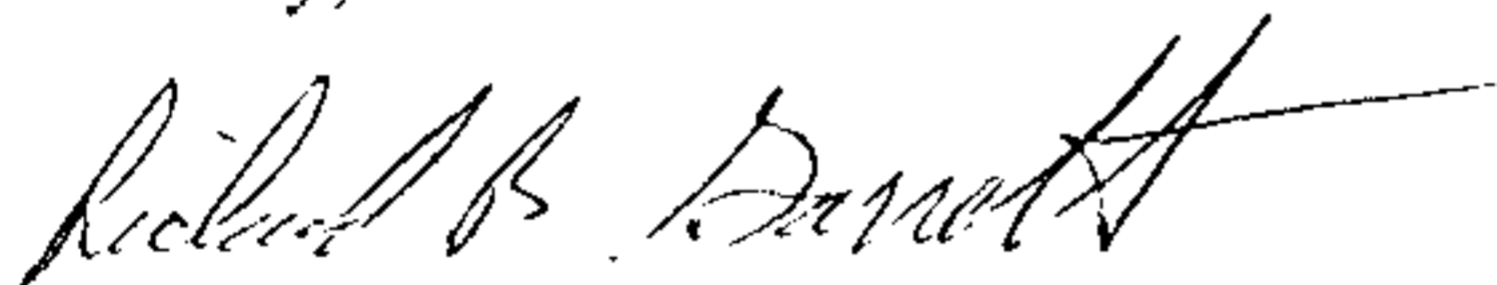
In the previous audit I recommended that the council on aging establish a perpetual inventory system for its purchased food. As previously discussed in the management letter, the council on aging did not keep a perpetual inventory during the 1995-96 fiscal year. Again, I am recommending that the council on aging establish a perpetual inventory system to record the purchase, the removal, the value, and the current balance of purchased food.

PUBLIC BID LAW

In the previous audit it was discussed in the management letter that the council on aging purchased a van for \$11,049 without going through the formal bid process. During the current audit, I did not become aware on any expenditures that fell under the public bid law requirements of getting quotes or going through the formal bid process. It is my opinion that this finding has been corrected.

I have enjoyed serving you on this engagement. Ms. Morgan and Ms. Newman were very helpful in providing information to complete my audit. If you have any questions feel free to call me.

Sincerely,

A handwritten signature in cursive script that reads "Richard B. Garrett". The signature is written in black ink and is positioned above the typed name.

Richard B. Garrett, CPA