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LINCOLN COUNCIL ON AGING, INC.

RUSTON, LOUISIANA

**FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION
FOR THE YEAR ENDED
JUNE 30, 2002**

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 2/19/03

LINCOLN COUNCIL ON AGING, INC.
JUNE 30, 2002

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LINCOLN COUNCIL ON AGING, INC.
JUNE 30, 2002

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RADIAN L. HENNIGAN

Certified Public Accountant
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Independent Auditor's Report

To the Board of Directors
Lincoln Council on Aging, Inc.
Ruston, Louisiana 71270

We have audited the accompanying general purpose financial statements of Lincoln Council on Aging, Inc. as of and for the year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the council's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

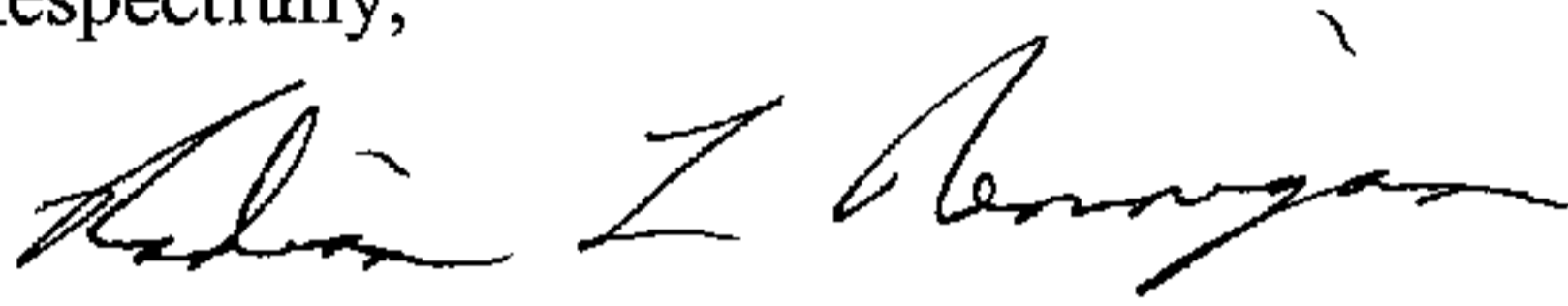
In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Lincoln Council on Aging, Inc. as of June 30, 2002, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2002, on our consideration of Lincoln Council on Aging, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as supplementary financial information, beginning on page 30, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been

statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Respectfully,

A handwritten signature in black ink, appearing to read "Radian L. Hennigan". The signature is written in a cursive style with a large, prominent initial "R".

Radian L. Hennigan
Certified Public Accountant

Ruston, Louisiana
October 2, 2002

RADIAN L. HENNIGAN

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

To the Board of Directors
Lincoln Council on Aging
Ruston, Louisiana 71270

We have audited the general purpose financial statements of the Lincoln Council on Aging, Inc. as of and for the year ended June 30, 2002, and have issued our report thereon dated October 2, 2002. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Lincoln Council on Aging, Inc.'s general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 our audit and, accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

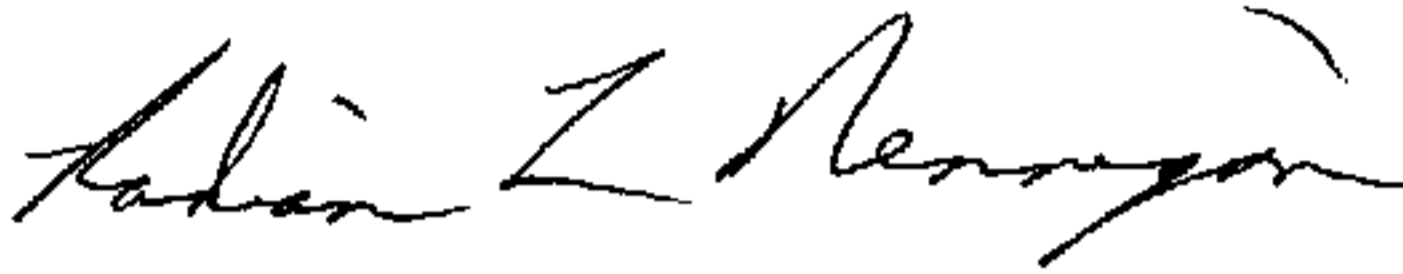
Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lincoln Council on Aging, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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. We

noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Respectfully,

A handwritten signature in cursive script, appearing to read "Radian L. Hennigan".

Radian L. Hennigan
Certified Public Accountant

Ruston, Louisiana
October 2, 2002

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GENERAL PURPOSE FINANCIAL STATEMENTS

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
JUNE 30, 2002

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	GOVERNMENTAL FUND TYPES		ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	2002	2001
ASSETS						
Cash	\$ 70,501	\$ 48,116	\$ 0	\$ 0	\$ 117,112	\$ 92,439
Grant Receivable	0	2,629	0	0	2,629	2,408
Due from USDA Fund	18,571	0	0	0	18,571	22,724
Fixed Assets	0	0	211,634	0	211,634	211,634
Amount to be Provided for Retirement of General Long-Term Debt	0	0	0	1,356	1,356	1,652
TOTAL ASSETS	\$ 89,072	\$ 50,745	\$ 211,634	\$ 1,356	\$ 351,302	\$ 330,857
LIABILITIES						
Accounts Payable	\$ 7,983	\$ 0	\$ 0	\$ 0	\$ 7,983	\$ 685
Due to General Fund	0	18,571	0	0	18,571	22,724
Long-Term Debt: Accumulated Unpaid Vacation	0	0	0	1,356	1,356	1,652
TOTAL LIABILITIES	7,983	18,571	0	1,356	27,910	25,061
FUND EQUITY						
Fund Equity: Fund Balances: Unreserved: Undesignated	81,089	32,174	0	0	111,758	94,162
Investment in General Fixed Assets	0	0	211,634	0	211,634	211,634
TOTAL LIABILITIES AND FUND EQUITY	\$ 89,072	\$ 50,745	\$ 211,634	\$ 1,356	\$ 351,302	\$ 330,857

The accompanying notes are an integral part of these financial statements.

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
JUNE 30, 2002

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001**

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>TOTALS (MEMORANDUM ONLY)</u>	
			<u>2002</u>	<u>2001</u>
<u>REVENUES</u>				
Intergovernmental	\$ 21,779	\$ 330,523	\$ 352,302	\$ 346,527
Public Support		37,722	37,722	35,966
Interest Income	1,563	4	1,567	3,782
Program Service Fees		0	0	0
Miscellaneous	17,298		17,298	5,487
In - Kind Contributions	21,300		21,300	21,300
TOTAL REVENUES	<u>61,940</u>	<u>368,249</u>	<u>430,189</u>	<u>413,062</u>
<u>EXPENDITURES</u>				
Current:				
Salaries	0	157,394	157,394	156,423
Fringe	0	12,174	12,174	12,111
Meals	0	120,019	120,019	109,432
Travel	1,415	8,008	9,423	10,688
Operating Services	10,372	53,775	64,147	76,724
Operating Supplies	2,097	23,063	25,160	15,322
Other Costs	0	1,070	1,070	1,079
Capital Outlay	0	0	0	13,016
Utility Assistance		1,088	1,088	6,252
In-Kind Contributions	21,300	0	21,300	21,300
TOTAL EXPENDITURES	<u>35,184</u>	<u>376,591</u>	<u>411,775</u>	<u>422,347</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	26,756	(8,340)	18,416	(9,285)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfer In	0	44,332	44,332	50,750
Operating Transfer Out	(21,779)	(22,553)	(44,332)	(50,750)
Proceeds from sale of fixed assets	0	0	0	0
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	4,977	13,439	18,416	(9,285)

The accompanying notes are an integral part of these financial statements.

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
JUNE 30, 2002

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2002**

<u>FUND BALANCES</u>	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>TOTALS (MEMORANDUM ONLY)</u>	
			<u>2002</u>	<u>2001</u>
Beginning of Year	75,428	18,735	94,163	104,133
Prior Period Adjustment	684	0	684	(686)
End of Year	<u>\$ 81,089</u>	<u>\$ 32,174</u>	<u>\$ 113,263</u>	<u>\$ 94,162</u>

The accompanying notes are an integral part of these financial statements.

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
JUNE 30, 2002

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>			
Intergovernmental	\$ 21,779	\$ 21,779	\$ 0
Interest Income	1,563	1,563	0
Miscellaneous	17,298	17,298	0
In - Kind Contributions	21,300	21,300	0
TOTAL REVENUES	<u>61,940</u>	<u>61,940</u>	<u>0</u>
<u>EXPENDITURES</u>			
Travel	1,415	1,415	0
Operating Services	10,372	10,372	0
Operating Supplies	2,097	2,097	0
Other Costs	0	0	0
Capital Outlay	0	0	0
In - Kind Contributions	21,300	21,300	0
TOTAL EXPENDITURES	<u>35,184</u>	<u>35,184</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	26,756	26,756	0
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	0	0	0
Operating Transfers Out	(21,779)	(21,779)	0
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	4,977	4,977	\$ <u>0</u>
<u>FUND BALANCES</u>			
Beginning of Year	75,428	75,428	
Prior Period Adjustment	0	684	
End of Year	<u>\$ 80,405</u>	<u>\$ 81,089</u>	

The accompanying notes are an integral part of these financial statements.

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
JUNE 30, 2002

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>			
Intergovernmental	\$ 357,814	\$ 330,523	\$ (27,291)
Public Support	25,019	37,722	12,703
Interest Income	0	4	4
Miscellaneous	2,000	0	(2,000)
TOTAL REVENUES	384,833	368,249	(16,584)
<u>EXPENDITURES</u>			
<u>Current:</u>			
Salaries	154,371	157,394	(3,023)
Fringe	12,859	12,174	685
Meals	103,350	120,019	(16,669)
Travel	8,125	8,008	117
Operating Services	59,362	53,775	5,587
Operating Supplies	13,501	23,063	(9,562)
Other Costs	22,082	1,070	21,012
Capital Outlay	0	0	0
Utility Assistance	7,000	1,088	5,912
TOTAL EXPENDITURES	380,650	376,591	4,059
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,183	(8,340)	(12,523)
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	0	44,332	44,332
Operating Transfers Out	0	(22,553)	(22,553)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	4,183	13,439	\$ <u>9,256</u>
<u>FUND BALANCES</u>			
Beginning of Year	55,297	18,735	
Prior Period Adjustment	0	0	
End of Year	\$ 59,480	\$ 32,174	

The accompanying notes are an integral part of these financial statements.

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
JUNE 30, 2002

NOTES TO THE FINANCIAL STATEMENTS

NOTE 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 aging for the welfare of aging people in their representative parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The Lincoln Council on Aging, Inc. is a non-profit, quasi-public corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs the state agency which provides the council with most of its revenues, other entities that provide the council with federal, state, or local funds may impose some additional requirements.

The primary function of the Lincoln Council on Aging, Inc. 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. Some of the services provided by the council include congregate and home delivered meals, nutritional education, information and referral services, legal assistance, homemaker services, discount services, material aid, outreach operating senior centers, and transportation. A Board of Directors, consisting of 15 voluntary members who serve three-year terms, governs the Council.

The Council 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 separate special-purpose government.

b. Presentation of Statements:

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

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
JUNE 30, 2002

NOTES TO THE FINANCIAL STATEMENTS

The accompanying financial statements conform to generally accepted accounting principles for state and local governments. 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 Accountants: 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 Council uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain functions or activities.

The accounts of the Council 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, or expenses, as appropriate. 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 categories (account groups).

Governmental funds are used to account for all or most of the Council's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition of general fixed assets, and the servicing of general long-term debt.

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. It is used to account for all financial resources except those required to be

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
JUNE 30, 2002

NOTES TO THE FINANCIAL STATEMENTS

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. In addition, the servicing of general long-term debt is accounted for in the General fund because unrestricted resources are used to pay for the liabilities incurred by this fund and there are no legal mandates to use a debt service fund.

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

Other Local

Revenues, such as, (1) donations from the general public, (2) income from various fund raisers (3) program service revenue from renting Medic alert units and providing Medicaid services, and (4) interest income earned on idle funds which have been invested, have been recorded in the "other local" program of the General Fund. Expenses incurred which are not chargeable to specific programs are recorded as "other local" program expenditures. Also, expenses incurred to produce related program service fees and fund raising income are charged as "other local" program expenditures. "Other local" funds are also used as transfers to special revenue funds to supplement those programs. In addition, fixed asset additions are generally paid with "other local" funds.

Senior Activities

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

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
JUNE 30, 2002

NOTES TO THE FINANCIAL STATEMENTS

Local

Local funds are received from various sources; such funds not being restricted to any special use.

PCOA (ACT 735)

PCOA (Act 735) funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council may use these "Act 735" funds at its discretion provided the program is benefiting people who are at least 60 years old.

Section 5310

Section 5310 funds are provided by the United States Department of Transportation through the Louisiana Department of Transportation and Development. Funds received by the Council are based on actual operating costs of providing transportation services to rural residents within Lincoln Parish. The Transportation portion of in-kind contributions is an allowed cost for purposes of requesting reimbursement under this program. Because money received under this program is for reimbursement of costs previously incurred, the Council can use these funds for discretionary purposes. This is why these Section 5310 funds are recorded in the Council's General Fund.

Special Revenue Funds

Special Revenue Funds are used to 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. Most of the Council's special revenue funds are provided by GOEA. The Title III Funds are provided by the United States Department of Health and Human Services – Administration on Aging through the governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council.

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
JUNE 30, 2002

NOTES TO THE FINANCIAL STATEMENTS

The following are the funds which comprise the Council's Special Revenue Funds:

Title III-B: Ombudsman Fund

The Ombudsman Fund is used to account for funds used to provide people age 60 and older residing in long-term care facilities a representative to ensure that such resident's rights are upheld, to resolve complaints by residents with the management of the long-term care facility, and to promote quality care at the facility.

Title III-B Supportive Services Fund

Title III-B Supportive Services Fund is used to account for funds which are to provide a variety of social services; such as, information and assistance, access services, in-home services, community services, legal assistance, and outreach for people age 60 and older.

Title III-C Area Agency Administration (AAA) Fund

The Title III-C Area Agency Administration (AAA) Fund is used to account for some of the administrative costs associated with operating the Special Programs for the Aging.

Title III C – 1 Fund

The Title III C-1 Fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. During the fiscal year July 1, 2001 to June 30, 2002 the Council served about 17,500 congregate meals.

Title III C – 2 Home Delivered Meals Fund

Title III C – 2 Fund is used to account for funds which are used to provide nutritional, home delivered meals to homebound older persons. During the fiscal year July 1, 2001 to June 30, 2002, the Council served about 37,000 home delivered meals

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
JUNE 30, 2002

NOTES TO THE FINANCIAL STATEMENTS

Title III – D Fund

The III – D Fund is used to account 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 – E Fund

The Title III – E fund is used to provide in-home services to frail older individuals. These services provide relief for family members so they can perform tasks that require the individuals to be out of the home.

Title III – F Fund

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

Senior Center Fund

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to the Governor’s office of Elderly Affairs, which in turn “passes through” the funds to the Council. This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The Council operates two senior centers in Lincoln Parish, Louisiana.

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
JUNE 30, 2002

NOTES TO THE FINANCIAL STATEMENTS

Audit Fund

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 (or compilation) of the Council's financial statements.

Utility Assistance Fund

The Utility Assistance Fund is used to account for the administration of programs that are sponsored by local utility companies. The companies collect contributions from service customers and employees and remit the funds directly to the Council or to the Louisiana Association of Councils on Aging (LACOA), which in turn remits funds relating to *Lincoln Parish to the Council. These funds are used to provide financial assistance to the elderly for the payment of their utility bills.*

U.S.D.A. Fund

The U.S.D.A. Fund is used to account for the administration of Nutrition Program for the Elderly funds provided by the United States Department of Agriculture through the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program reimburses the service provider about 55 cents for each congregate and home-delivered meal served to an eligible participant so that United States food and commodities may be purchased to supplement these programs.

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 fund type operations of Lincoln Council on Aging, Inc. are accounted for (capitalized) in the General Fixed Assets Account Group and are

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
JUNE 30, 2002

NOTES TO THE FINANCIAL STATEMENTS

recorded as expenditures in the government fund types when purchased.

General Long-Term Debt

Long – term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. The General Long-Term Debt Account Group shows only the measurement of financial position and is not involved with measurement of results of operations. Principal and interest payments on long-term liabilities (bank loans and capital lease obligations) are accounted for in the General Fund because the Council intends to use unrestricted resources to pay them and no legal mandate exists to establish a debt service fund.

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

Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. Expenditures are *recognized in the accounting period in which the liability is incurred, if measurable, except for the following.*

- (1) Compensated absences are recorded as expenditures when paid with expendable available financial resources.

f. **Transfers:**

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are classified as due from other funds or due to other funds on

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
JUNE 30, 2002

NOTES TO THE FINANCIAL STATEMENTS

the balance sheet. Short-term interfund loans are classified as interfund receivables/payables

g. Budget Policy:

The Council used the following procedures to derive in the budgetary data which has been presented in Exhibits C and D of these financial statements.

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

The Council may also obtain grants from agencies other than GOEA and the Council considers the potential revenues to be earned under those grants.

Projections are made of revenues from other sources based on past trends and data available to form expectations of future revenues.

The Executive Director prepares a proposed budget based on the expected funding levels and then submits the budget to the Board of Directors for approval.

The Board of Directors reviews and adopts the budget before May 31 of the current year for the next year.

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

All budgetary appropriations lapse at the end of each fiscal year (June 30). Occasionally, the Council will receive a special project grant which may operate on a period different from the Council's normal fiscal year, and therefore, have a specified date where the budgetary appropriations will lapse.

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

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
JUNE 30, 2002

NOTES TO THE FINANCIAL STATEMENTS

Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. There was only one amendment during the year which was effective June 1, 2002.

Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.

The Council may transfer funds between line items as often as required but must obtain prior approval from the Governor's Office of Elderly Affairs for funds received under grants from this state agency. As a part of this grant awards, GOEA requires the Council to amend its budget in cases where actual costs for a particular cost category exceed the budgeted amount by more than 10%. Otherwise, the excess costs could be labeled as unauthorized expenditures.

Expenditures cannot legally exceed appropriations on an individual fund level.

The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some General Fund activities are not budgeted, particularly if they are deemed to be immaterial by management.

Amounts were not budgeted for revenues and expenses for the Utility Assistance Fund because they were not legally required and the amount of revenue to be received under this program could not be determined.

h. Comparative Data:.

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

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
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NOTES TO THE FINANCIAL STATEMENTS

Total columns on the combined financial statements are captioned "memorandum only" to indicate that they are presented only to help with financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position 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.

i. Fixed Assets, Including Property Leased Under Capital Leases:

Assets which cost at least \$1000 and which have an estimated useful life a greater than 1 year are capitalized as fixed assets. All fixed assets are stated at historical cost or estimated historical cost, if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. No depreciation has been provided on general fixed assets.

Capital leases are recorded at the inception of the lease as capital outlay expenditures and other financing sources in governmental fund types and as assets and liabilities in the General Fixed Asset and General Long-term Debt accounts groups, respectively, at the present value of the minimum lease payments, using the interest rates stated in the leases. Lease payments are recorded as expenditures on the due date; the portion of the payments applicable to principal, determined by using interest rates implicit in the lease, is reported as a reduction of the capitalized lease obligation in the General Long-term Debt account group

j. Compensated Absences:

For governmental fund types, the Council's liability for accumulate unpaid vacation has been recorded in the general long-term debt group of accounts. The liability has been determined using the number of vested vacation hours for each employee multiplied by the employee's current wage rate at the end of the year. An amount is added to this total for social security and Medicare taxes. Accrued vacation benefits will be paid from future years' resources and will be recorded as fund expenditures in the various governmental funds in the year in which they are paid or become due on demand to terminated employees. The Council's sick leave policy does not provide for the vesting of sick leave where payment would have to be made to a terminated employee for any unused portion.

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
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NOTES TO THE FINANCIAL STATEMENTS

k. Related Party Transactions:

There were not any related party transactions during the fiscal year.

l. Restricted Assets:

Restricted assets represent assets which have been primarily acquired through donations whereby the donor has placed a restriction on how the donation can be used by the Council (i.e., utility assistance funds). Restricted assets are offset by a corresponding reservation of the Council's fund balance.

m. Reservation and Designations of Fund Balances:

The Council "reserves" portions of its fund balance that are not available for expenditure because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets which make them only available to meet future obligations.

Designated allocations of fund balances result when the Council's management intends to expend certain resources in a designated manner.

n. Prepaid Expenses:

The Council has elected not to expense amounts paid for future services until those services are consumed to comply with the cost reimbursement terms of its grant agreements. The fund balances in the governmental fund types have been reserved for any prepaid expenses recorded in these funds to reflect the amount of fund balance not currently available for expenditure. At year end, there were not any prepaid expenses.

o. Management's Use of Estimates:

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

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
JUNE 30, 2002

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – Revenue Recognition – Intergovernmental, Program Service Fees, Public Support, and Miscellaneous Revenues

Intergovernmental

Intergovernmental revenues are recorded in governmental funds as revenues in the accounting period when they become susceptible to accrual, that is, measurable and available (modified accrual basis). Intergovernmental grants do not allow the Council to recognize revenue under the grant award until actual costs are incurred or units of service are provided.

Program Service Fees

Program service fees are recognized when the Council provides the service that entitles the Council to charge the recipient for the services received.

Public Support and Miscellaneous Revenues

The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1, C-2 and D programs. Utility assistance funds are provided from public donations via utility company programs. In addition, various fund raisers are held during the year to obtain funds to offset costs of general operations and senior activities. The timing and amounts of the receipts of public support and miscellaneous revenues are difficult to predict; therefore, they are not susceptible to accrual and are recorded as revenue in the period received.

NOTE 3 – Cash in Bank

The Council maintains a consolidated bank account to deposit the money 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 balances to cover any negative cash balances in other funds at year end. At June 30, 2002, the balance of the Council's consolidated bank account was \$8633. The related bank balance (collected deposits) at that date was \$23,169. All of the deposits were covered by federal depository insurance. GASB Statement 3 categorizes the credit risk of these deposits as Category 1 because they are fully insured.

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
JUNE 30, 2002

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - Investments

State statutes authorize the Council to invest temporarily idle monies in the following:

1. United States Treasury Bonds,
2. United States Treasury Notes,
3. United States Treasury Bills,
4. Obligations of U.S. Government Agencies, including such instruments as Federal Home Loan Bank bonds, Government National Mortgage Association bonds, or a variety of "Federal Farm Credit" bonds,
5. Fully collateralized certificates of deposit issued by qualified commercial banks and savings and loan associations located within the State of Louisiana,
6. Fully collateralized repurchase agreements,
7. Fully collateralized interest-bearing checking accounts, and
8. Mutual or Trust Fund institutions which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States Government or its agencies.

The Council's primary purpose for investing is to earn interest income on money that has been determined to be in excess of immediate cash needs.

At June 30, 2002, investments consisted of the following:

<u>Type of Investment</u>	<u>Amount</u>	<u>Rate</u>	<u>Maturity</u>
American Bank Interest Bearing Checking Account	46,611	1.30%	
Community Trust Bank Interest Bearing Checking	62,690	2.75%	

All of the above deposits were covered by federal depository insurance (Category 1)

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
JUNE 30, 2002

NOTES TO THE FINANCIAL STATEMENTS

The above investments have been recorded at cost, which approximates market value. The market value of the above accounts do not fluctuate. Management intends to hold all investments until their maturity, thus, no entry has been made on the books to reflect any increases or decreases in market value at year end.

NOTE 5 – Grants Receivable

Grants Receivable at June 30, 2002, consisted of reimbursements for expenses incurred under the following programs:

<u>Program</u>	<u>Fund</u>	<u>Funding Agency</u>	<u>Amount</u>
U.S.D.A	Special Revenue	GOEA	\$ 2,629

NOTE 6 – Changes in General Fixed Assets

	Balance June 30 <u>2001</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30 <u>2002</u>
Office Furniture & Equipment \$	<u>211,634</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 211,634</u>

NOTE 7 – In Kind Donations

The Council received \$21,300 in various in-kind contributions during the year which have been valued at their estimated fair market value and presented in this report as revenue. Related expenditures, equal to the in-kind revenues, have also been presented, thereby producing no effect on net income.

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

Senior center/meal site facilities and health screening sites are furnished to the Council without charge.

The Council received additional support through services contributed by volunteers that does not meet the criteria for recognition under generally

LINCOLN COUNCIL ON AGING, INC.
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NOTES TO THE FINANCIAL STATEMENTS

accepted accounting principles because the Council would not hire additional paid employees to perform these services if volunteers were not available.

NOTE 8 – 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’s regular personnel policy.

NOTE 9 – 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 of 1986 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 10 – Changes in Long-Term Debt

Long – term liabilities that will be financed from governmental funds are accounted for in the general long-term debt group of accounts. The following is a summary of changes in the general long-term debt account group.

	Balance Balance <u>07-01-01</u>	Net Increase (Reductions)	<u>06-30-02</u>
Accumulated unpaid Vacation	\$ <u>1,652</u>	\$ <u>(296)</u>	\$ <u>1,356</u>

NOTE 11 – Judgements, Claims and Similar Contingencies

There is no litigation pending against the Council at June 30, 2002. Furthermore, the Council’s management believes that any potential lawsuits would be adequately covered by insurance.

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
JUNE 30, 2002

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12 – Federal Award Programs

The Council 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. These programs are audited in accordance with the Single Audit Act Amendments of 1996. Any settlements or expenses arising out of a final review are recognized in the period agreed upon by the agency and the Council. 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's financial position

NOTE 13 - Economic Dependency

The Council 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 receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely effect the amount of funds the Council will receive in the next fiscal year.

NOTE 14 – Risk Management

The Council is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; 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. No settlements were made during the year that exceed the Council's insurance coverage.

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
JUNE 30, 2002

NOTES TO THE FINANCIAL STATEMENTS

NOTE 15 – Interfund Transfers

Operating transfers in and out are listed by fund for 2002

Funds Transferring In:	Funds Transferring Out:					TOTALS
	PCOA	Miscellaneous Grant	Local	USDA	Senior Center	
Senior Center	\$ -0-	\$1,991	\$ -0-	\$ -0-	-0-	\$1,991
Title III – F	-0-	-0-	-0-	-0-	-0-	-0-
Title III – B	11,678	4,158	-0-	-0-	-0-	14,187
Title C – 1	6,263	-0-	-0-	18,053	-0-	24,316
Title C – 2	3,675	-0-	-0-	-0-	-0-	3,675
Title III – D	-0-	-0-	-0-	-0-	-0-	-0-
Ombudsman	116	-0-	-0-	-0-	-0-	116
Title III AAA	47	-0-	-0-	-0-	-0-	47
USDA	-0-	-0-	-0-	-0-	-0-	-0-
TOTALS	\$ <u>21,779</u>	\$ <u>4,500</u>	\$ <u>-0-</u>	\$ <u>18,053</u>	\$ <u>-0-</u>	\$ <u>44,332</u>

NOTE 16 – Prior Period Adjustments

The prior period adjustment was made to General Fund for the following reasons:

Capital Outlay not Reimbursed to GOEA	<u>\$684</u>
Due to Approval by GOEA	\$684

SUPPLEMENTARY FINANCIAL INFORMATION

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2002

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES AND
CHANGES IN FUND BALANCE - GENERAL FUND**

	<u>PROGRAMS OF THE GENERAL FUND</u>		
	<u>LOCAL</u>	<u>PCOA</u>	<u>TOTAL</u>
	<u>(UNRESERVED)</u>	<u>(ACT 735)</u>	
<u>REVENUES</u>			
Intergovernmental:			
Office of Elderly Affairs	\$ 0	\$ 21,779	\$ 21,779
Local Governments	0	0	0
Interest Income	1,563	0	1,563
Program Service Fees	17,298	0	17,298
In - Kind Contributions	21,300	0	21,300
	<hr/>	<hr/>	<hr/>
<u>TOTAL REVENUES</u>	40,161	21,779	61,940
<u>EXPENDITURES</u>			
Current:			
Travel	1,415	0	1,415
Operating Services	10,372	0	10,372
Operating Supplies	2,097	0	2,097
Other Costs	0	0	0
Capital Outlay	0	0	0
In-Kind Contributions	21,300	0	21,300
	<hr/>	<hr/>	<hr/>
<u>TOTAL EXPENDITURES</u>	35,184	0	35,184
Excess of Revenues Over (Under) Expenditures	4,977	21,779	26,756
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	0	0	0
Operating Transfers Out	0	(21,779)	(21,779)
	<hr/>	<hr/>	<hr/>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	4,977	0	4,977

The accompanying notes are an integral part of these financial statements.

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2002

SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES AND
CHANGES IN FUND BALANCE - GENERAL FUND

	PROGRAMS OF THE GENERAL FUND		
	LOCAL (UNRESERVED)	PCOA (ACT 735)	TOTAL
<u>FUND BALANCES</u>			
Beginning of Year	75,428	0	75,428
Prior Period Adjustment	684	0	684
End of Year	\$ 79,540	\$ 0	\$ 79,540

The accompanying notes are an integral part of these financial statements.

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2002

**COMBINING SCHEDULE OF PROGRAM REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -SPECIAL REVENUE FUNDS**

	<u>TITLE III - B</u>		<u>TITLE III - C</u>		
	<u>OMBUDSMAN</u>	<u>SUPPORTIVE SERVICES</u>	<u>AREA AGENCY ADMIN.</u>	<u>TITLE III C - 1</u>	<u>TITLE III C - 2</u>
<u>REVENUES</u>					
Intergovernmental:					
Governor's Office of Elderly Affairs	\$ 5,566	\$ 70,297	\$ 17,736	\$ 49,939	\$ 119,029
Public Support:					
LA Association Council on Aging	0	0	0	0	0
Client Contributions	0	7,987	0	11,796	15,815
Interest Income					
<u>TOTAL REVENUE</u>	<u>5,566</u>	<u>78,284</u>	<u>17,736</u>	<u>61,735</u>	<u>134,844</u>
<u>EXPENDITURES</u>					
Current:					
Salaries	3,704	53,245	10,893	31,276	36,787
Fringe	285	4,113	839	2,416	2,854
Meals	0	0	0	42,438	77,581
Travel	255	886	211	305	6,351
Operating Services	1,395	28,443	5,415	9,052	11,092
Operating Supplies	41	5,332	392	516	3,816
Other Costs	4	452	33	48	38
Capital Outlay	0	0	0	0	0
Utility Assistance	0	0	0	0	0
<u>TOTAL EXPENDITURES</u>	<u>5,684</u>	<u>92,471</u>	<u>17,783</u>	<u>86,051</u>	<u>138,519</u>
Excess of Revenues Over (Under) Expenditures	(116)	(14,128)	(47)	(24,316)	(3,675)
<u>OTHER FINANCING SOURCES (USES)</u>					
Operating Transfers In	116	14,187	47	24,316	3,675
Operating Transfers Out	0	0	0	0	0
Excess of Revenues Sources Over (Under) Expenditures and Other Uses	0	59	0	0	0

The accompanying notes are an integral part of these financial statements.

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2002

**COMBINING SCHEDULE OF PROGRAM REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -SPECIAL REVENUE FUNDS**

<u>SENIOR CENTER</u>	<u>MISC GRANTS</u>	<u>TITLE III - F</u>	<u>AUDIT FUNDS</u>	<u>UTILITY ASSISTANCE</u>	<u>USDA</u>	<u>TOTAL</u>
\$ 29,464	\$ 4,500	\$ 1,045	\$ 2,463	\$ 0	\$ 30,484	\$ 330,523
						0
						0
0	0	0	0	2,124	0	2,124
0	0	0	0	0	0	35,598
				4	0	4
<u>29,464</u>	<u>4,500</u>	<u>1,045</u>	<u>2,463</u>	<u>2,128</u>	<u>30,484</u>	<u>368,249</u>
21,489	0	0	0	0	0	157,394
1,667	0	0	0	0	0	12,174
0	0	0	0	0	0	120,019
0	0	0	0	0	0	8,008
5,737	0	0	2,463	0	0	63,597
2,562	0	582	0	0	0	13,241
0	0	463	0	32	0	1,070
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,088</u>	<u>0</u>	<u>1,088</u>
<u>31,455</u>	<u>0</u>	<u>1,045</u>	<u>2,463</u>	<u>1,120</u>	<u>0</u>	<u>376,591</u>
(1,991)	4,500	0	0	1,008	30,484	(8,340)
1,991	0	0	0	0	0	44,332
<u>0</u>	<u>(4,500)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(18,053)</u>	<u>(22,553)</u>
0	0	0	0	1,008	12,431	13,498

The accompanying notes are an integral part of these financial statements.

**LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2002**

**COMBINING SCHEDULE OF PROGRAM REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -SPECIAL REVENUE FUNDS**

	<u>TITLE III - B</u>		<u>TITLE III - C</u>		
	<u>OMBUDSMAN</u>	<u>SUPPORTIVE SERVICES</u>	<u>AREA AGENCY ADMIN.</u>	<u>TITLE III C - 1</u>	<u>TITLE III C - 2</u>
<u>FUND BALANCE-(DEFICIT)</u>					
Beginning of Year	0	0	0	0	0
Prior Period Adjustments					
End of Year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements.

**LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2002**

**COMBINING SCHEDULE OF PROGRAM REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -SPECIAL REVENUE FUNDS**

<u>SENIOR CENTER</u>	<u>MISC GRANTS</u>	<u>TITLE III - F</u>	<u>AUDIT FUNDS</u>	<u>UTILITY ASSISTANCE</u>	<u>USDA</u>	<u>TOTAL</u>
0	0	0	0	496	18,239	18,735
					0	0
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,504</u>	<u>\$ 30,670</u>	<u>\$ 32,174</u>

The accompanying notes are an integral part of these financial statements.

**LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2002**

**SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VS ACTUAL - CONTRACTS
AND GRANTS PROVIDED THROUGH THE LOUISIANA GOVERNOR'S
OFFICE OF ELDERLY AFFAIRS (GOEA)**

	<u>BUDGETED EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>LOCAL - UNRESERVED</u>			
Travel	1,415	1,415	0
Operating Services	10,372	10,372	0
Operating Supplies	2,097	2,097	0
Other Costs	0	0	0
Capital Outlay	0	0	0
TOTALS	\$ 13,884	\$ 13,884	\$ 0
<u>STATE OF LOUISIANA - ACT 735</u>			
Other Costs	0	0	0
Capital Outlay	0	0	0
Transfers to Other Funds:			0
Supportive Service	0	0	
III - A	47	47	0
III - B	11,678	11,678	0
III - C-1	6,263	6,263	0
III - C-2	3,675	3,675	0
III - F	0	0	0
OMB	116	116	0
TOTALS	\$ 21,779	\$ 21,779	\$ 0
<u>TITLE III - B SUPPORTIVE SERVICES</u>			
Salaries	\$ 52,917	\$ 53,245	\$ (328)
Fringe	4,406	4,113	293
Travel	888	886	2
Operating Services	27,204	28,443	(1,239)
Operating Supplies	5,547	5,332	215
Other Costs	2,780	452	2,328
Capital Outlay	0	0	0
TOTALS	\$ 93,742	\$ 92,471	\$ 1,271

**LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2002**

**SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VS ACTUAL - CONTRACTS
AND GRANTS PROVIDED THROUGH THE LOUISIANA GOVERNOR'S
OFFICE OF ELDERLY AFFAIRS (GOEA)**

	<u>BUDGETED</u> <u>EXPENDITURES</u>		<u>ACTUAL</u> <u>EXPENDITURES</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<u>TITLE III - C AREA AGENCY ADMINISTRATION</u>				
Salaries	\$ 10,658	\$	\$ 10,893	\$ (235)
Fringe	899		839	60
Travel	215		211	4
Operating Services	5,378		5,415	(37)
Operating Supplies	359		392	(33)
Other Costs	226		33	193
Capital Outlay	0		0	0
	<hr/>		<hr/>	<hr/>
TOTALS	\$ 17,735	\$	\$ 17,783	\$ (48)
	<hr/> <hr/>		<hr/> <hr/>	<hr/> <hr/>
<u>TITLE III C - 1</u>				
Salaries	\$ 31,962	\$	\$ 31,276	\$ 686
Fringe	2,669		2,416	253
Meals				0
Raw Food	37,441		42,438	(4,997)
Labor and Non - edibles			0	0
Travel	325		305	20
Operating Services	9,299		9,052	247
Operating Supplies	542		516	26
Other Costs	0		48	(48)
Capital Outlay	0		0	0
	<hr/>		<hr/>	<hr/>
TOTALS	\$ 82,238	\$	\$ 86,051	\$ (3,813)
	<hr/> <hr/>		<hr/> <hr/>	<hr/> <hr/>
<u>TITLE III C - 2</u>				
Salaries	\$ 33,927	\$	\$ 36,787	\$ (2,860)
Fringe	2,824		2,854	(30)
Meals				0
Raw Food	66,510		77,581	(11,071)
Labor and Non - edibles	0		0	0
Travel	6,248		6,351	(103)

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2002

SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VS ACTUAL - CONTRACTS
AND GRANTS PROVIDED THROUGH THE LOUISIANA GOVERNOR'S
OFFICE OF ELDERLY AFFAIRS (GOEA)

	<u>BUDGETED</u> <u>EXPENDITURES</u>	<u>ACTUAL</u> <u>EXPENDITURES</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
Operating Services	11,026	11,092	(66)
Operating Supplies	4,013	3,816	197
Other Costs	0	38	(38)
Capital Outlay	0	0	0
TOTALS	\$ 124,548	\$ 138,519	\$ (13,971)
 <u>SENIOR CENTER</u>			
Salaries	\$ 21,465	\$ 21,489	\$ (24)
Fringe	1,774	1,667	107
Operating Services	5,110	5,737	(627)
Operating Supplies	3,000	2,562	438
TOTALS	\$ 31,349	\$ 31,455	\$ (106)
 <u>TITLE III - F</u>			
Other Costs	\$ 2,959	\$ 1,045	\$ 1,914
 <u>AUDIT FUNDS</u>			
Operating Services	\$ 2,462	\$ 2,463	\$ (1)
 <u>UTILITY ASSISTANCE</u>			
Utility Assistance Program: Entergy - Helping Hands	\$ 7,000	\$ 1,120	\$ 5,880
 <u>MISCELLANEOUS GRANTS</u>			
Transfer to III - B	\$ 2,509	\$ 2,509	\$ 0

**LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2002**

**SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VS ACTUAL - CONTRACTS
AND GRANTS PROVIDED THROUGH THE LOUISIANA GOVERNOR'S
OFFICE OF ELDERLY AFFAIRS (GOEA)**

	<u>BUDGETED EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>U.S.D.A</u>			
Transfer to Title III C - 1	\$ 24,316	\$ 24,316	\$ 0
Transfer to Title III C - 2	3,675	3,675	0
TOTALS	<u>\$ 27,991</u>	<u>\$ 27,991</u>	<u>\$ 0</u>
<u>OMBUDSMAN</u>			
Salaries	\$ 3,442	\$ 3,704	(262)
Fringe	286	285	1
Travel	449	255	194
Operating Services	1,343	1,395	(52)
Operating Supplies	40	41	(1)
Other Costs	25	4	21
Capital Outlay	0	0	0
TOTALS	<u>\$ 5,585</u>	<u>\$ 5,684</u>	<u>\$ (99)</u>

**LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA**

**SCHEDULE OF PRIORITY SERVICES-
TITLE III, PART B - GRANT FOR SUPPORTIVE SERVICES**

FOR THE YEAR ENDED JUNE 30, 2002

**# OF
GOEA
GRANT**

Access (30%):	Assisted Transportation	\$ 31,338	
	Case Management	2,429	
	Transportation	40,810	
	Information & assistance	4,095	
	Outreach	<u>1,413</u>	
	Total access expenses	80,085	113.92%
In - Home (15%)	Homemaker	5,107	
	Home Repair	<u>2,453</u>	
	Total in-home expenses	7,560	10.75%
Legal (5%):	Legal assistance	2,825	4.02%
Non-priority services		<u>2,001</u>	
Total Title IIIB Supportive services expenditures		92,412	
Less: Participant contributions		(7,987)	
	Transfers in	<u>(14,187)</u>	
Title III B - Supportive services grant		70,297	
Less:		0	
	State Funds	<u>22,853</u>	
Original grant award net of additional state homemaker and transportation funds and transfers of contract allotments		<u>\$ 47,444</u>	

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2001 AND 2002

**COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS AND CHANGES IN
GENERAL FIXED ASSETS**

	BALANCE JUNE 30 2001	ADDITIONS	DELETIONS	BALANCE JUNE 30 2002
<u>GENERAL FIXED ASSETS, AT COST:</u>				
Office Furniture & Equipment	\$ 211,634	\$ 0	\$ 0	\$ 211,634
<u>INVESTMENT IN GENERAL FIXED ASSETS:</u>				
Property Acquired Prior to 7/1/85*	\$ 0	\$ 0	\$ 0	\$ 0
Property Acquired After 7/1/85 from				
Title III C-1	12,261	0	0	12,261
Title III C-2	17,501	0	0	17,501
Title III C-1-AAA	5,152	0	0	5,152
Title III B-SS	11,608	0	0	11,608
Act 735	40,768	0	0	40,768
General Fund	47,968	0	0	47,968
Senior Center	32,714	0	0	32,714
Title III-D	1,467	0	0	1,467
Title III-F	8,351	0	0	8,351
OMBUDSMAN	1,398	0	0	1,398
Section 5310	30,410	0	0	30,410
Supplemental Senior Center	2,306	0	0	2,306
<u>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</u>	\$ 211,634	\$ 0	\$ 0	\$ 211,634

*Records reflecting sources from which assets were acquired were not maintained prior to 7/1/85

LINCOLN COUNCIL ON AGING, INC.
RUSTON, LOUISIANA
FOR THE YEAR ENDING JUNE 30, 2002

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

<u>FEDERAL GRANTOR/PASS THROUGH GRANTORS/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>REVENUE RECOGNIZED</u>	<u>EXPENDITURES</u>
<u>Department of Health and Human Services</u>				
Passed Through the Louisiana Governor's Office of Elderly Affairs:				
Special Programs for the Aging:				
Title III B - Supportive Services	93.044	40,327	40,327	40,327
Title III C - Area Agency Administration	93.045	11,302	13,302	13,302
Title III C-1 - Congregate Meals	93.045	38,495	38,495	38,495
Title III C-2 - Home Delivered Meals	93.045	25,032	25,032	25,032
Title III-B - Ombudsman (Long-term care)	93.044	3,708	3,708	3,708
Title III-F-Frail, elderly assistance	93.043	1,480	1,480	1,480
Title III - E - Care Giver	93.052	12,909	12,909	12,909
 <u>Department of Agriculture</u>				
Passed Through the Louisiana Governor's Office of Elderly Affairs:				
U.S.D.A. - Cash in Lieu of Commodities	10.570	30,484	30,379	30,379
Total		165,737	16,632	165,632

LINCOLN COUNCIL ON AGING, INC.
SCHEDULE OF FINDING AND QUESTION COSTS
FOR THE YEAR ENDED JUNE 30, 2002

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Lincoln council on Aging, Inc.
2. No reportable conditions were disclosed during the audit of the general purpose financial statements.
3. No instances of noncompliance material to the general purpose financial statements of Lincoln Council on Aging, Inc., Inc. were disclosed during the audit.
4. There are no major programs.
5. The threshold for distinguishing Types A and B programs was \$300,000.
6. Lincoln Council on Aging, Inc. was not determined to be low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None