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OUACHITA COUNCIL ON AGING, INC.

Monroe, Louisiana

FINANCIAL STATEMENTS

June 30, 2008

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 1/14/09

Marsha O. Millican  
Certified Public Accountant  
Shreveport, Louisiana

OUACHITA COUNCIL ON AGING, INC.

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June 30, 2008

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WEBSTER VOLUNTARY CONUNCIL ON AGING, INC.

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# Marsha O. Millican

## CERTIFIED PUBLIC ACCOUNTANT

### INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Ouachita Council on Aging, Inc.  
Monroe, Louisiana

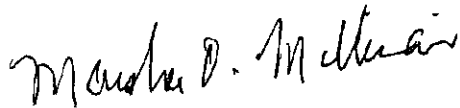
I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ouachita Council on Aging, Inc., as of and for the year ended June 30, 2008 which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Ouachita Council on Aging, Inc., management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Those standards and A-133 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 general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ouachita Council on Aging, Inc. as of June 30, 2008, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis presented on pages 3 through 11 and the supplementary financial information required by GASB 34 on pages 43 through 47, the supplementary financial information required by GOEA on pages 48 and 49, and the supplementary financial information required by OMB Circular A-133 on page 50 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, I have also issued a report dated December 2, 2008 on my *consideration* of Ouachita Council on Aging, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

A handwritten signature in black ink, reading "Matthew D. McLean". The signature is written in a cursive style with a large, stylized 'M' and 'L'.

Certified Public Accountant  
December 2, 2008

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

This section of Ouachita Council on Aging, Inc.'s annual financial performance during the fiscal year that ended on June 30, 2008. Please read it in conjunction with the Council's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The Council showed a net decrease in overall net assets of \$51,472 this year.
- Net Capital Assets of the Council decreased by \$71,270 due primarily to depreciation.
- The unreserved, undesignated fund balance for the Council's General Fund is 110,100.

**HOW TO USE THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 12 and 13) provide information about the activities of the Council as a whole and present a longer-term view of the Council's finances. Fund financial statements begin on page 14. For governmental activities, in the short-term as well as what remains for future spending. Fund financial statements also report the Council's operations in more detail than the government-wide statements by providing information about the Council's most significant funds.

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



## **Reporting the Council as a Whole Using Government-Wide Statements**

Our analysis of the Council as a whole begins on page 9. An important question to ask about the Council's finances is, "Is the Council as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities (referred to collectively as the Government-Wide Financial Statements) report information about the Council as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

The Government-Wide statements can be found on pages 12 to 13 and report the Council's net assets and changes in them. Some of the net assets are restricted which means they can only be used for a specific purpose. The Statement of Net Assets is designed to present the financial position of the Council as of year-end. Over time, increases or decreases in the Council's net assets are one indicator of whether its financial position is improving or deteriorating. However, to assess the overall financial position of the Council, you will need to consider other nonfinancial factors, such as the condition of the Council's capital assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

The Statement of Activities provides information that shows how the Council's net asset changed as a result of this year's activities. All of the Council's significant activities are reported in the Statement of Activities. These activities include an Administration function and a Health, Welfare, and Social Services function. The Health, Welfare, and Social Services function is comprised of various programs that include various supportive social services, nutritional services, utility assistance, and disease prevention and health promotion. All activities of the Council are considered to be governmental activities. A governmental activity is one where the Council uses money it receives from government grants and contracts, along with donations from the general public, to pay for the services it provides to the general public, or a segment of the general public, such as the elderly. In other words, the people benefitting from the services are not required to pay for what they receive. If the Council charged fees to cover all or most of the cost of providing a service, that activity would be classified as a business-type activity. The Council does not have any business-type activities.

## **Reporting the Council's Most Significant Funds using Fund**

## **Financial Statements**

Our analysis of the Council's major funds begins on page 7. The Fund Financial Statements can be found on pages 14 to 15 and provide detailed information about the most significant funds - not the, Council as a whole. In the Fund Financial Statements you will see a General Fund and a variety of Special Revenue Funds. The General Fund is used to account for all financial resources except those that are required to be accounted for in another fund. The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. By using separate funds to track revenues and expenditures, we can control and manage funds for particular purposes or we can show that the fund is meeting legal responsibilities for using certain grants and other money.

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

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 to 42. You should read the notes before making assumptions or drawing conclusions about the Council's financial condition.



### **Supplementary Financial Information Required by GASD Statement 34**

The Governmental Accounting Standards Board (GASB) Statement 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted annual budget. The schedules compare the original and final appropriated budgets' to actual budget results for the Council's fiscal year. We have also opted to present positive and negative variances between the final budget and actual amounts.

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

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

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

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

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present as schedules the information on pages 48 to 49. This information will be used by GOEA to verify the accuracy of information the Council submitted to it during the year and to help GOEA monitor certain compliance requirements set forth in the grants that it has with the Council.

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

The following table reflects condensed information on the Council's net assets for the year ended June 30,

	<u>2008</u>	<u>2007</u>
Current and other assets	\$ 225,905	\$ 246,751
Capital Assets, net of depreciation	<u>2,373,940</u>	<u>2,445,210</u>
Total Assets	<u>2,599,845</u>	<u>2,691,691</u>
Accounts Payable and Accrued Expenses	127,080	152,488
Notes Payable	<u>202,422</u>	<u>217,688</u>
Total Liabilities	<u>329,502</u>	<u>370,146</u>
Invested in capital assets, net of related debt	2,171,518	2,227,552
Restricted	13,280	25,847
Unrestricted	<u>85,545</u>	<u>68,416</u>
Total Net Assets	<u>\$2,270,343</u>	<u>\$ 2,321,815</u>

As of June 30, 2008, the Council "as a whole" had assets greater than its liabilities by \$2,270,343.

The long-term debt represents amounts borrowed for the construction of the facilities at 2407 Ferrand Street, Monroe, Louisiana. The Council reduced its long term indebtedness by \$15,266 during the year.

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

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

	<u>2008</u>	<u>2007</u>
Revenues		
Program Revenues:		
Operating Grants and Contributions	\$ 1,699,625	\$ 1,283,095
Capital Grants	-	-
General Revenues:		
Unrestricted Grants and Contributions	61,718	263,682
Other General Revenues	<u>139,042</u>	<u>135,596</u>
Total Revenues	<u>1,900,385</u>	<u>1,682,373</u>
Direct Program Expenses of the Health, Welfare, and Social Services Function:		
Supportive Services:		
Other Supportive Services	37,302	40,215
Homemaker	73,750	84,616
Information and Assistance	17,508	5,375
Legal Assistance	7,500	7,500
Outreach	12,941	2,497
Transportation	219,709	236,973
Nutrition Services:		
Congregate Meals	310,561	288,401
Home Delivered Meals	465,064	382,549
Utility Assistance	62,770	93,891
Disease Prevention and Health Promotion	7,377	8,833
National Family Caregiver Support	59,965	49,726
Grants to Subrecipients	356,994	130,488
Direct Administration Expenses	<u>311,416</u>	<u>366,007</u>
Total Expenses	<u>1,951,857</u>	<u>1,697,073</u>
Increase (Decrease) in Net Assets	<u>\$ ( 51,472)</u>	<u>\$ ( 14,700)</u>

## **AN ANALYSIS OF GOVERNMENTAL ACTIVITIES**

Most of the Council's activities are funded by federal, state, and local grants. These grants amount to approximately 73% of the revenues of the Council in 2008. Some of these grants are restricted which means that the money can only be used in certain programs. The amount of funds available from most of the grants remains rather constant from year to year, however, some grant amounts may change based upon the level of service provided by the Council under the terms of the particular grant award.

The Council also receives donations from its clients and the general public. These revenues help to lessen the financial burden on the Council and allow it to maintain and expand services. Public support revenues represented 17% of the total revenues of 2008.

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

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

An indication of how we are using money efficiently can be analyzed by calculating the percentage administration expenses bears in relation to total expenses. For 2008, total administration expenses were \$311,416, or 16% of total expenses.

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

### **Fund Balances**

The Council showed a combined governmental fund balance of \$123,380.

### **Revenues**

The combined fund revenues increased \$218,012 this year versus last year.

### **Expenditures**

Total expenditures increased by \$258,602 this year.

## **AN ANALYSIS OF THE GENERAL FUND BUDGET**

Over the course of this past fiscal year the budget was amended one time. The amendment effectively approves any expenditure that had already been incurred that exceeded its original budgeted amount. The primary reasons for amending the budget are to account for unanticipated changes in both revenues and expenditures and to prevent compliance violations under the Council's grants from GOEA.

You can find schedules of the original and amended budgets in the Supplementary Financial Information Required by GASB Statement 34 section of this report on pages 43 to 47. When you review the budget versus actual schedule, you will note that the favorable and unfavorable variances are not very large. This is a result of the budget amendment process, which allows us the opportunity to use hindsight to adjust the forecast that it made at the beginning of the year. With only two months left in the fiscal year at the time the budget is amended, the risk of a significant budget overrun is reduced because of our ability to more accurately predict what will occur over a shorter period of time versus a longer period of time.

## **AN ANALYSIS OF CAPITAL ASSET AND DEBT ADMINISTRATION**

At the end of the year, the Council had \$2,373,940 in fixed assets net of accumulated depreciation. This amounted to a net decrease of \$71,2770 from the prior year which is due to the current year provision for depreciation of \$74,270 and asset purchases of \$3,000.

At year end, the Council had notes outstanding of \$202,422. We have already discussed the nature and effects of the compensated absence liability.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The council receives most of its funding from federal and state agencies. Because of this, the source of income for the Council is rather steady. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council, and therefore, revenues may vary from year to year. In setting its budget for fiscal year 2009, it was important that we deliver at least the same level of service to our clients and the public as we did in 2008. All of the Council's grants and contracts from the usual federal and state agencies have been approved for FY 2009. There have been no significant changes to the funding levels or terms of the grants and contracts. Accordingly, we have set our initial budget to provide the same programs and levels of service next year. GOEA has also approved the Council's budget for next year. There are no plans to add any significant programs for next year.

#### **CONTACTING THE COUNCIL'S MANAGEMENT**

Our financial report is designed to provide government agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask for more information, you should contact Mrs. Lynda McGehee, the Council's Executive Director, at the Council's main office located at 2407 Ferrand Street, Monroe, Louisiana, or by phone at 318-387-0535.

OUACHITA COUNCIL ON AGING, INC.

Government Wide Statement of Net Assets

June 30, 2008

	<u>Governmental Activities</u>
Assets	
Cash	\$ 210,491
Contracts receivable	7,959
Deposits on vans	7,455
Capital assets, net of accumulated depreciation	<u>2,373,940</u>
Total assets	<u>\$ 2,599,845</u>
Liabilities	
Accounts payable	\$ 51,955
Wages payable	30,646
Payroll taxes payable	10,850
Deferred revenue	9,074
Accrued compensated absences:	
Current portion	8,595
Non-current portion	15,960
Notes Payable	
Current portion	18,125
Non-current portion	<u>184,297</u>
Total liabilities	<u>\$ 329,502</u>
Net assets	
Invested in Capital Assets, net of debt	\$ 2,171,518
Restricted for:	
Utility assistance	7,870
FEMA	5,410
Unrestricted	<u>85,545</u>
Total Net Assets	<u><u>\$ 2,270,343</u></u>

The accompanying notes are an integral part of this statement.

OUACHITA COUNCIL ON AGING, INC.

GOVERNMENT WIDE STATEMENT OF ACTIVITIES

For the Year ended June 30, 2008

Functions/Programs	Direct Expenses	Indirect Expenses	Charges for Services	Program Revenues		Capital Grants and Contributions	Total Governmental Activities	Net (Expenses) Revenues and Increases (Decreases) in Net Assets
				Operating Grants and Contributions	Grants and Contributions			
Governmental Activities								
Health, Welfare & Social Services:								
Supporting Services:								
Homemaker	\$73,750	\$ 19,594	\$ -	\$ 69,436	\$ -	-	\$ (23,908)	
Information and Assistance	17,508	3,334	-	15,504	-	-	(5,338)	
Outreach	12,941	2,814	-	11,794	-	-	(3,961)	
Legal Assistance	7,500	-	-	7,500	-	-	-	
Transportation	219,709	57,865	-	206,401	-	-	(71,173)	
Other Priority Services	37,302	11,500	-	36,302	-	-	(12,500)	
Nutrition Services:								
Congregate Meals	319,561	72,459	-	344,604	-	-	(47,416)	
Home Delivered Meals	465,064	84,040	-	482,244	-	-	(66,860)	
Utility Assistance	62,770	-	-	50,204	-	-	(12,566)	
Disease Prevention and Health Promotion	7,377	1,028	-	7,664	-	-	(741)	
National Family Caregiver Support	59,965	5,175	-	57,371	-	-	(7,769)	
Grants to Subrecipients	356,994	-	-	356,994	-	-	-	
Administration	311,416	-257,809	-	53,607	-	-	-	
Total Governmental activities	\$ 1,951,857	\$ -	\$ -	\$ 1,699,625	\$ -	\$ -	(252,232)	
General Revenues:								
Grants and contributions not restricted to specific programs								61,718
Miscellaneous								139,042
Total general revenues and special items								200,760
Increase (Decrease) in net assets								(51,472)
Net assets- beginning of year, as previously reported								2,321,815
Net assets - end of the year								\$ 2,270,343

The accompanying notes are an integral part of this statement.



OUACHITA COUNCIL ON AGING, INC.  
Balance Sheet  
Governmental Funds  
June 30, 2008

	General Fund	Title IIIB	Title IIIC-1	Title IIIC-2	Senior Center	Non-Major Funds	Total
<b>Assets</b>							
Cash	\$ 201,346	\$ -	\$ -	\$ -	-	\$ 9,145	\$ 210,491
Grants and contracts receivable	7,959	-	-	-	-	-	7,959
Due from other funds	-	-	-	-	-	4,135	4,135
Deposit on vans	7,455	-	-	-	-	-	7,455
<b>Total Assets</b>	<b>\$ 216,760</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ 13,280</b>	<b>\$ 230,040</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 51,955	\$ -	\$ -	\$ -	-	\$ -	\$ 51,955
Wages payable	30,646	-	-	-	-	-	30,646
Payroll taxes payable	10,850	-	-	-	-	-	10,850
Deferred revenue	9,074	-	-	-	-	-	9,074
Due to other funds	4,135	-	-	-	-	-	4,135
<b>Total Liabilities</b>	<b>106,660</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106,660</b>
<b>Fund Balances:</b>							
Reserved for:							
Utility assistance	-	-	-	-	-	7,870	7,870
FEMA	-	-	-	-	-	5,410	5,410
Unreserved/Undesignated:							
General Fund	110,100	-	-	-	-	-	110,100
Special Revenue Fund	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>110,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,280</b>	<b>123,380</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 216,760</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,280</b>	<b>\$ 230,040</b>

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

- Compensated absences and notes payable are not paid for out of current financial resources and therefore are not reported in the funds
- Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds

-226,977  
2,373,940

Net Assets of Governmental Activities

\$ 2,270,343

OUACHITA COUNCIL ON AGING, INC.  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2008

	General	Supportive Services	C-1	C-2	Senior Center	Non-Major Funds	Total
<u>REVENUES</u>							
Intergovernmental:							
Governor's Office of							
Elderly Affairs	\$ 147,325	\$ 152,107	\$ 184,458	\$ 183,019	\$ 124,819	\$ 528,426	\$ 1,320,154
Other	58,522	-	-	-	-	-	58,522
Federal Emergency Food and Shelter	-	-	-	-	-	8,464	8,464
Public Support							
Unrestricted	213,001	-	-	-	-	-	213,001
Restricted-Utility Programs	-	-	-	-	-	41,740	41,740
Client Contributions	-	13,245	53,932	9,910	-	-	77,087
Donated Meals	-	-	-	42,375	-	-	42,375
Miscellaneous	139,042	-	-	-	-	-	139,042
Total Revenues	<u>557,890</u>	<u>165,352</u>	<u>238,390</u>	<u>235,304</u>	<u>124,819</u>	<u>578,630</u>	<u>1,900,385</u>
<u>EXPENDITURES</u>							
Health, Welfare & Social Services							
Current							
Salaries	23,910	177,048	78,797	97,189	6,078	43,517	426,539
Fringe	1,958	19,405	9,499	11,248	663	5,050	47,823
Travel	334	7,232	588	44,781	12	235	53,182
Operating services	13,545	88,567	47,257	35,082	46,682	27,417	258,550
Operating supplies	820	39,916	1,846	6,080	4,777	2,310	55,749
Other costs	74,950	9,714	1,373	1,664	233	40,113	128,047
Meals	24,158	-	205,244	267,634	-	-	497,036
Utility assistance	-	-	-	-	-	62,771	62,771
Grants to subrecipients	-	-	-	-	356,994	-	356,994
Capital outlay	3,000	-	-	-	-	-	3,000
Total expenditures	<u>142,675</u>	<u>341,882</u>	<u>344,604</u>	<u>463,678</u>	<u>415,439</u>	<u>181,413</u>	<u>1,889,691</u>
Excess (deficiency) of revenues over expenditures	415,215	(176,530)	(106,214)	(228,374)	(290,620)	397,217	10,694
<u>OTHER SOURCES (USES)</u>							
Operating transfers in	-	176,530	106,214	228,374	290,620	-	801,738
Operating transfers out	<u>(391,954)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(409,784)</u>	<u>(801,738)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	23,261	-	-	-	-	(12,567)	10,694
<u>FUND BALANCES (DEFICIT)</u>							
Beginning of year (deficit)	86,839	-	-	-	-	25,847	112,686
End of year	<u>\$ 110,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,280</u>	<u>\$ 123,380</u>

The accompanying notes are an integral part of this statement.

OUACHITA COUNCIL ON AGING, INC.

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

Year Ended June 30, 2008

Net Increase (Decrease) in fund balances total governmental funds	\$ 10,694
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$74,270) exceeds capital outlay (\$3,000 ) in the current period.	(71,270)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Compensated absences	(6,132)
The repayment of long-term debt consumes the current financial resources of governmental funds. The repayment of debt is not an expenditure in the statement of activities	<u>15,236</u>
Increase (Decrease) of net assets of governmental activities	<u>\$ (51,472)</u>

The accompanying notes are an integral part of this statement.

OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

**Note 1 - Summary of Significant Accounting Policies:**

**A. Purpose of the Council on Aging:**

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

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

OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

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

**B. Reporting Entity:**

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

Ouachita Council on Aging, Inc. is a legally separate, non-profit, quasi-public corporation. It received its charter and began operations on June 28, 1967.

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

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

OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

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

**B. Reporting Entity: - (Continued)**

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

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

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

OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

Note 1 - Summary of Significant Accounting Policies (Continued)

**C. Presentation of Statements:**

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

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

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

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

OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

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

**C. Presentation of Statements (Continued)**

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

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

**D. Basic Financial Statements - Government-Wide Statements**

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

In the Government-Wide Statement of Net Assets, the governmental type activities column (a) is presented on a consolidated basis by column, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted



OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

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

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

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

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

The Government-Wide Statement of Activities reports both the gross and net cost of each of the Council's functions and significant programs. Many functions and programs are supported by general government revenues like intergovernmental revenues, and unrestricted net

OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

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

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

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

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

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

**E. Basic Financial Statements - Fund Financial  
Statements:**

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

OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

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

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

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

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

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

OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

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

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

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

- **The General Fund** is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. PCOA (Parish Council on Aging Funds) are included in the General Fund and are used to supplement Title III programs.
- **Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

A large percentage of the Council's special revenue funds are Title III funds. These funds are provided by the United States Department of Health and Human Services - Administration on Aging to the Governor's office of Elderly Affairs, which in turn "passes through" the funds to the council.

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

**Major Special Revenue Funds**

**The Title III B Fund** is used to account for funds, which are used to provide various units of supportive social services to the elderly. GOEA has established the criteria for defining a qualifying

OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

Note 1 - Summary of Significant Accounting Policies  
(Continued)

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

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

	<u>Units</u>
• Information and Assistance	823
• Outreach	543
• Homemaker	4,579
• Transportation for people age 60 or older	21,990
• Legal	586
• Utility Assistance	301

**The Title III C-1 Fund** is used to account for funds that are used to provide nutritional, congregate meals to the elderly at meal sites located in Monroe and surrounding areas. During the year the Council served 80,442 meals to people eligible to participate in this program. - In addition to the meals serviced, the Council also provided 452 units of nutritional education to eligible participants.

**The Title III C-2 Fund** is used to account for funds that are used to provide nutritional meals to homebound older persons. Using Title III C-2 funds the Council served 102,036 meals during the year to people eligible to participate in this program.

OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

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

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

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

**Non-Major Special Revenue Funds**

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

**The Title III D Fund** is used to account for funds used for disease prevention and health promotion activities. During the year 15,747 units of wellness service were provided to eligible participants in this program.

OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

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

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

**The Nutritional Services Incentive Fund** is used to account for the administration of the Food Distribution Program provided by the United State Department of Agriculture through the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. GOEA distributes funds to each parish council on aging in Louisiana based on how many meals each council on aging served in the previous year in relation to the total meals served statewide by all councils. The primary purpose of the NSI reimbursement is to provide money to the Council so that United States food and commodities may be purchased to supplement nutrition programs.

**The Utility Assistance Fund** is used to account for the administration of utility assistance programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging to provide assistance to the elderly for the payment of utility bills. The Council receives its Project Care donations directly from Entergy Corporation. LP&L Helping Hands donations are provided through the Louisiana Association of councils on Aging, Inc. (LACOA). During the year, the Council was able to provide 301 units of service with these funds.

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

OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

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

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

The Supplemental Senior Center Fund was established to account for funds that were appropriated by the Louisiana Legislature for the various councils on aging throughout Louisiana to supplement each council's primary grant for senior center operations and activities. The Ouachita Council on Aging, Inc. was one of the parish councils to receive a supplemental grant of \$301,205. The monies received by this fund during the year were transferred to the Title IIIB Supportive Services and Senior Center to supplement the costs in these funds.

The Title III E Care-giver Fund provides systems of support services for family care-givers and for older individuals who are relative care givers. Under this program, the Council rendered 1,775 units of respite care to qualifying individuals.

**F. Measurement Focus and Basis of Accounting:**

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

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

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



OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

**Note 1 - Summary of Significant Accounting Policies**

**(Continued)**

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

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

**G. Interfund Activity:**

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

OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

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

**H. Investments:**

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

**I. Prepaid Expenses/Expenditures:**

Prepaid expenses include amounts paid for services in advance. These are shown as assets on the Government-Wide Statement of Net Assets. The Council had no prepaid expenses at June 30, 2008.

In the Fund Financial Statements, the Council has elected not to include amounts paid for future services as expenditures until those services are consumed to comply with the cost reimbursement terms of grant agreements. As a result, the prepaid expenditures are shown as an asset on the balance sheet of the Fund Financial Statements until they are consumed. In addition, a corresponding amount of the fund balance of the General Fund has been reserved to reflect the amount of fund balance not currently available for expenditure.

**J. Capital Assets:**

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased or acquired with an original cost of at least \$1,000

OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

Note 1 - Summary of Significant Accounting Policies  
(Continued)

**J. Capital Assets: (Continued)**

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

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

**K. Cash and Cash Equivalents:**

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

**L. Unpaid Compensated Absences:**

The Council's policies for vacation time permit employees to accumulate earned but unused vacation leave. Accordingly, a liability for the unpaid vacation leave has been recorded in the Government-Wide Statements. Management has estimated the current and long-term portions of this liability based on historical trends. The amount accrued as

OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

Note 1 - Summary of Significant Accounting Policies  
(Continued)

**L. Unpaid Compensated Absences: (Continued)**

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

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

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

**M. Allocation of Indirect Expenses:**

The Council reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are recorded as direct expenses of the Administration function. GOEA provides funds to partially subsidize the Council's Administration

OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

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

**M. Allocation of Indirect Expenses: (Continued)**

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

**N. Management's Use of Estimates:**

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

**O. Elimination and Reclassifications:**

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

**P. Deferred Revenues:**

The Council reports deferred revenues on its Statement of Net Assets and on the balance sheet of the Fund Financial Statements. Deferred revenues arise when the Council receives resources before it has a legal claim to them, as when grant monies are received before the occurrence of qualifying

OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

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

**P. Deferred Revenues: (Continued)**

expenditures. In subsequent periods, when the Council has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

**Note 2 - Revenue Recognition**

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

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

**Note 3 - Cash**

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

OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

**Note 3. Cash (Continued)**

At year-end, the carrying amount of the Council's cash balances on the books, which includes \$100 of petty cash, was \$215,506, whereas the related bank cash balances totaled \$211,738. The difference in the book and bank balances for cash relates primarily to deposits made and checks written which did not clear the bank accounts by year-end. Bank balances of \$203,597 were collateralized by federal depository insurance. Bank balance of \$8,141 were collateralized by securities held in the Council's name.

**Note 4 - Investments**

The Council's primary purpose for investing is to earn interest income on money that its management has determined to be in excess of immediate cash needs. Louisiana Revised Statute 33:2955 sets forth a list of the types of investments in which a political subdivision may invest its temporarily idle funds.

The Council had no investments at June 30, 2008.

**Note 5 - Government Grants and Contracts Receivable**

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

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

Title III E Caregiver	\$ 3,737
Other	<u>4,222</u>
Total	<u>\$ 7,979</u>

OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

**Note 6 - Changes in Capital Assets**

A summary of changes in capital assets is as follows:

	Balance			Balance
<u>Capital Assets</u>	<u>07-01-07</u>	<u>Increases</u>	<u>Decreases</u>	<u>06-30-08</u>
Vehicles	\$ 247,014	\$ -	\$ -	\$ 247,014
Furniture & equipment	61,011	3,000	-	64,011
Building	2,496,377	-	-	2,496,377
Land	174,354	-	-	174,354
Subtotal	<u>2,978,756</u>	<u>3,000</u>	<u>3,000</u>	<u>2,981,756</u>
Accumulated Depreciation:				
Vehicles	197,877	9,246	-	207,123
Furniture & Equipment	64,796	2,615	-	67,411
Building	270,873	62,409	-	333,282
Land	-	-	-	-
Subtotal	<u>533,546</u>	<u>74,270</u>	<u>-</u>	<u>607,816</u>
Net Assets	<u>\$ 2,445,210</u>	<u>\$ ( 71,270)</u>	<u>\$ -</u>	<u>\$ 2,373,940</u>

Depreciation was charged to governmental activities as follows:

Administration	\$ 5,942
III B Supportive Services	30,450
C-1	14,111
C-2	21,538
III E Caregiver	<u>2,229</u>
Total depreciation expense for governmental activities	<u>\$ 74,270</u>



OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

**Note 7 - Board of Directors' Compensation**

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

**Note 8 - Income Tax Status**

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

**Note 9 - Economic Dependency**

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

OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

**Note 10 - Interfund Receivables and Payables**

Because the Council operates most of its programs under cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the grant programs. Such advances create short-term interfund loans in the Fund Financial Statements. A summary of these interfund loans at year end, is as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ -	\$ 4,135
Non Major Funds:		
NSIP	-	-
Helping Hands	12	-
FEMA	<u>4,123</u>	<u>-</u>
Total	<u>\$ 4,135</u>	<u>\$ 4,135</u>

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

**Note 11 - Risk Management**

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. No settlements were made during the current or prior three fiscal years that exceeded the Council's insurance coverage.

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

OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

**Note 12 - Interfund Transfers**

Funds Transfer In	Funds Transferred Out						Total
	Local	PCOA	NSIP	Senior Center	Supple Senior Ctr	Disaster Relief	
IIIB	162,145	3,800	-	-	10,585	-	176,530
C-1	42,425	9,500	54,289	-	-	-	106,214
C-2	152,559	21,525	54,290	-	-	-	228,374
Senior Ctr	-	-	-	-	290,620	-	290,620
AAA	-	-	-	-	-	-	-
III D	-	-	-	-	-	-	-
III E	-	-	-	-	-	-	-
Audit	-	-	-	-	-	-	-
Totals:	<u>\$357,129</u>	<u>\$34,825</u>	<u>\$108,579</u>	<u>\$ -</u>	<u>\$301,205</u>	<u>\$ -</u>	<u>\$ 801,738</u>

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

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

**Note 13 - Related Party Transactions**

There were no significant related party transactions during the year.

OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

**Note 14 - Changes in Long-Term Debt**

The following is a schedule of the changes in long-term debt:

**Compensated absences:**

Beginning balance	\$ 16,928
Increases	12,391
Decreases	<u>(4,764)</u>
Ending balance	24,555
Less: current portion	<u>8,595</u>
Long-term compensated absences payable	<u>\$ 15,960</u>

**Notes payable:**

Note payable to a bank, payable in monthly installments of \$2,381 including interest at 5%, collateralized by building	202,422
Less: current portion	<u>18,125</u>
Notes payable - Long-term	<u>\$ 84,297</u>

Maturities of notes payable including interest of \$61,290 are as follows:

Year Ended June 30,

2009	\$ 28,752
2010	28,752
2012	28,752
2013	28,752
2013	28,752
2014 and After	<u>119,952</u>
Total	<u>\$ 263,712</u>

OUACHITA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

**15. IN-KIND CONTRIBUTIONS**

The Council received \$ 40,733 of in-kind contributions that have been valued at their estimated fair market value and have been valued at their estimated fair market value and recorded in the accounting records of the Council.

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

St Francis Medical Center and Glenwood  
Regional Medical Center donated a total  
of 21,082 meals to the Council for delivery  
to home bound elderly. \$ 42,375

The Council received additional support through services contributed by volunteers that does not meet the criteria for recognition in as much as no objective basis is available to measure the value of such services and the donated services do not create a nonfinancial asset.

**16. GRANTS TO SUBRECIPIENTS**

Grants to Subrecipients consisted of the following:

West Ouachita Senior Center	\$ 144,031
SCORE	<u>212,963</u>
Total	<u>\$ 356,994</u>

OUACHITA COUNCIL ON AGING, INC.

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2008

The Council did not adopt a budget for the General Fund for the year ended June 30, 2008,

OUACHITA COUNCIL ON AGING, INC.

Budgetary Comparison Schedule - Supportive Services Fund

For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental				
Governor's Office of Elderly Affairs	\$ 152,107	\$ 152,107	\$ 152,107	\$ -
Public Support	<u>16,500</u>	<u>14,000</u>	<u>13,245</u>	<u>(755)</u>
Total Revenues	<u>168,607</u>	<u>166,107</u>	<u>165,352</u>	<u>(755)</u>
<b>EXPENDITURES</b>				
Current:				
Personnel	175,562	175,397	177,048	(1,651)
Fringe	19,817	19,818	19,405	413
Travel	4,697	7,226	7,232	(6)
Operating Services	87,171	84,409	88,567	(4,158)
Operating Supplies	42,448	41,317	39,916	1,401
Other Costs	<u>17,400</u>	<u>16,100</u>	<u>9,714</u>	<u>6,386</u>
Total Expenditures	<u>347,095</u>	<u>344,267</u>	<u>341,882</u>	<u>2,385</u>
Excess (deficiency) of revenues over expenditures	<u>(178,488)</u>	<u>(178,160)</u>	<u>(176,530)</u>	<u>1,630</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	174,488	178,160	176,530	(1,630)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	174,488	178,160	176,530	(1,630)
Net increase (decrease) in fund balances	(4,000)	-	-	-
<b>FUND BALANCES</b>				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ (4,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OUACHITA COUNCIL ON AGING, INC.

Budgetary Comparison Schedule - Title III C-1 Fund

For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental				
Governor's Office of Elderly Affairs	\$ 184,458	\$ 184,458	\$ 184,458	\$ -
Public Support	<u>49,000</u>	<u>52,264</u>	<u>53,932</u>	<u>1,668</u>
Total Revenues	<u>233,458</u>	<u>236,722</u>	<u>238,390</u>	<u>1,668</u>
<b>EXPENDITURES</b>				
Current:				
Personnel	104,621	104,498	78,797	25,701
Fringe	11,810	11,807	9,499	2,308
Travel	665	753	588	165
Operating Services	53,563	50,012	47,257	2,755
Operating Supplies	6,004	6,278	1,846	4,432
Meals and Other Costs	203,967	204,705	206,617	(1,912)
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>380,630</u>	<u>378,053</u>	<u>344,604</u>	<u>33,449</u>
Excess (deficiency) of revenues over expenditures	<u>(147,172)</u>	<u>(141,331)</u>	<u>(106,214)</u>	<u>35,117</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	147,172	141,331	106,214	(35,117)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>147,172</u>	<u>141,331</u>	<u>106,214</u>	<u>(35,117)</u>
Net increase (decrease) in fund balances	-	-	-	-
<b>FUND BALANCES</b>				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



OUACHITA COUNCIL ON AGING, INC.  
 Budgetary Comparison Schedule - Title III C-2 Fund

For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental				
Governor's Office of Elderly Affairs	\$ 183,019	\$ 183,019	\$ 183,019	\$ -
Donated Meals *	-	-	42,375	42,375
Public Support	12,500	10,000	9,910	(90)
Total Revenues	<u>195,519</u>	<u>193,019</u>	<u>235,304</u>	<u>42,285</u>
<b>EXPENDITURES</b>				
Current:				
Personnel	112,087	113,031	97,189	15,842
Fringe	12,650	12,772	11,248	1,524
Travel	40,000	45,314	44,781	533
Operating Services	38,972	38,766	35,082	3,684
Operating Supplies	7,296	7,721	6,080	1,641
Meals and Other Costs	249,293	250,195	269,298	(19,103)
Capital Outlay	-	-	-	-
Total Expenditures	<u>460,298</u>	<u>467,799</u>	<u>463,678</u>	<u>4,121</u>
Excess (deficiency) of revenues over expenditures	<u>(264,779)</u>	<u>(274,780)</u>	<u>(228,374)</u>	<u>46,406</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	264,779	274,780	228,374	(46,406)
Transfers out	-	-	-	-
Total other financing sources and uses	<u>264,779</u>	<u>274,780</u>	<u>228,374</u>	<u>(46,406)</u>
Net increase (decrease) in fund balances	-	-	-	-
<b>FUND BALANCES</b>				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* The Council does not budget donated meals.

OUACHITA COUNCIL ON AGING, INC.

Budgetary Comparison Schedule - Senior Center

For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental				
Governor's Office of Elderly Affairs	\$ 121,812	\$ 124,819	\$ 124,819	\$ -
Public Support	-	-	-	-
Total Revenues	<u>121,812</u>	<u>124,819</u>	<u>124,819</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Personnel	6,693	5,797	6,078	(281)
Fringe	756	655	663	(8)
Travel	29	37	12	25
Operating Services	55,319	48,265	46,682	1,583
Operating Supplies	2,566	1,629	4,777	(3,148)
Grants to Subrecipients	130,490	356,994	356,994	-
Other Costs	-	-	233	(233)
Total Expenditures	<u>195,853</u>	<u>413,377</u>	<u>415,439</u>	<u>(2,062)</u>
Excess (deficiency) of revenues over expenditures	<u>(74,041)</u>	<u>(288,558)</u>	<u>(290,620)</u>	<u>(2,062)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	74,041	288,558	290,620	2,062
Transfers out	-	-	-	-
Total other financing sources and uses	<u>74,041</u>	<u>288,558</u>	<u>290,620</u>	<u>2,062</u>
Net increase (decrease) in fund balances	-	-	-	-
<b>FUND BALANCES</b>				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

QUACHITA COUNCIL ON AGING, INC.

Combining Statement of Program Revenues, Expenditures  
and Changes in Fund Balances  
Non-major Special Revenue Funds  
For the Year Ended June 30, 2008

	Area Agency Admin	Title IID	Title IIE	NSIP
<u>REVENUES</u>				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 47,740	\$ 7,664	\$ 57,371	\$ 108,579
Federal Emergency Food and Shelter	-	-	-	-
Public Support:				
Restricted - Utility Programs	-	-	-	-
Client Contributions	-	-	-	-
	<u>47,740</u>	<u>7,664</u>	<u>57,371</u>	<u>108,579</u>
Total revenues	<u>47,740</u>	<u>7,664</u>	<u>57,371</u>	<u>108,579</u>
<u>EXPENDITURES</u>				
Salaries	25,226	-	18,291	-
Fringe	2,766	-	2,284	-
Travel	44	-	191	-
Operating services	17,951	1,057	2,542	-
Operating supplies	920	889	501	-
Other costs	833	5,718	33,562	-
Utility assistance	-	-	-	-
Capital outlay	-	-	-	-
	<u>47,740</u>	<u>7,664</u>	<u>57,371</u>	<u>-</u>
Total expenditures	<u>47,740</u>	<u>7,664</u>	<u>57,371</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-	108,579
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	(108,579)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(108,579)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-
<u>FUND BALANCES</u>				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OUACHITA COUNCIL ON AGING, INC.

Combining Statement of Program Revenues, Expenditures  
and Changes in Fund Balances  
Non-major Special Revenue Funds  
For the Year Ended June 30, 2008

<u>FEMA</u>	<u>Audit</u>	<u>Utility Assistance</u>	<u>Supple. Senior Center</u>	<u>Totals</u>
\$ -	\$ 5,867	\$ -	\$ 301,205	\$ 528,426
8,464	-	-	-	8,464
-	-	41,740	-	41,740
-	-	-	-	-
<u>8,464</u>	<u>5,867</u>	<u>41,740</u>	<u>301,205</u>	<u>578,630</u>
-	-	-	-	43,517
-	-	-	-	5,050
-	-	-	-	235
-	5,867	-	-	27,417
-	-	-	-	2,310
-	-	-	-	40,113
5,032	-	57,739	-	62,771
-	-	-	-	-
<u>5,032</u>	<u>5,867</u>	<u>57,739</u>	<u>-</u>	<u>181,413</u>
3,432	-	(15,999)	301,205	397,217
-	-	-	-	-
-	-	-	(301,205)	(409,784)
-	-	-	(301,205)	(409,784)
3,432	-	(15,999)	-	(12,567)
<u>1,978</u>	<u>-</u>	<u>23,869</u>	<u>-</u>	<u>25,847</u>
<u>\$ 5,410</u>	<u>\$ -</u>	<u>\$ 7,870</u>	<u>\$ -</u>	<u>\$ 13,280</u>

OUACHITA COUNCIL ON AGING, INC.

Statement of General Fixed Assets  
and Changes in General Fixed Assets  
For the Year Ended June 30, 2008

	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
General Fixed Assets, at cost:				
Automotive	\$ 247,014	\$ -	-	\$ 247,014
Furniture and equipment	61,011	3,000	-	64,011
Recreation equipment	-	-	-	-
Building	2,496,377	-	-	2,496,377
Land	174,354	-	-	174,354
Total	<u>\$ 2,978,756</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 2,981,756</u>
Investment in General Fixed Assets:				
No reflection of source	\$ 77,082	\$ -	\$ -	\$ 77,082
Local	1,986,190	3,000	-	1,986,915
State of La - CDBG	750,000	-	-	750,000
Federal Transit Administration	164,759	-	-	164,759
Total	<u>\$ 2,978,031</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 2,978,756</u>

Prior Period Adjustment\*



# Marsha O. Millican

## CERTIFIED PUBLIC ACCOUNTANT

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

Board of Directors  
Ouachita Council on Aging, Inc.  
Monroe, Louisiana

I have audited the financial statements of Ouachita Council on Aging, Inc. as of and for the year ended June 30, 2008, and have issued my report thereon dated December 2, 2008. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

#### Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Council's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Council's financial statements that is more than inconsequential will not be prevented or detected by the Council's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Council's internal control. My consideration of internal control was for the limited purpose described in the second paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control that I consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Council's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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This report is intended solely for the information and use of management, the Board of Commissioners, and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Marsha D. McKeen*

Certified Public Accountant  
December 2, 2008

OUACHITA COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2008

Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements.
2. No control deficiencies relating to the audit of the financial statements are reported as material weaknesses in the Council's internal control.
3. No instances of noncompliance material to the financial statements of the Council was disclosed during the audit.

FINDING/NONCOMPLIANCE

There were no findings for the year ended June 30, 2008.



OUACHITA COUNCIL ON AGING, INC.

Summary Schedule of Prior Audit Findings

For the Year Ended June 30, 2008

There were no findings for the year ended June 30, 2007.