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*Financial Report*  
***Jefferson Council on Aging, Inc.***  
*Metairie, Louisiana*  
***June 30, 2005***

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

Release Date 3/8/06

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June 30, 2005

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**FINANCIAL SECTION**



Bourgeois Bennett

## INDEPENDENT AUDITOR'S REPORT

The Members of the Board of Directors,  
Jefferson Council on Aging, Inc.

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson Council on Aging, Inc. (the Council) as of and for the year ended June 30, 2005, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Jefferson Council on Aging, Inc. as of June 30, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 8, 2005, on our consideration of the Jefferson Council on Aging, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our 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 our audit.

Management's Discussion and Analysis and Budgetary Comparison Schedules on pages 3 through 13 and 48 through 54 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Metairie, Louisiana,  
November 8, 2005.



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

### **Jefferson Council on Aging, Inc.**

This report is designed to present to the reader a narrative overview and analysis of the financial performance of the Jefferson Council on Aging (the Council) for the year ended June 30, 2005. Please read it in conjunction with the financial statements, which follow.

### **FINANCIAL HIGHLIGHTS**

- Net assets; that is, total assets less total liabilities, decreased by \$156,746, or 10.7% this fiscal year.
- Revenue increased by \$161,318 or 3.3% over last fiscal year
- Expenditures increased by \$433,429 or 9.2% over last fiscal year.
- The unreserved, undesignated fund balance for the Council's General Fund increased by \$4,910 or 3.3% this fiscal year.
- No deficit fund balances exist at year-end.
- Net Capital assets decreased by \$37,298 or 16.8% over last fiscal year.

### **HOW TO USE THIS ANNUAL REPORT**

This annual report consists of a series of financial statements that provide a picture of the Council's activities as a whole, as well as a closer look of the Council's more significant activities. Unlike prior years' reporting, these reports recognize the expense of depreciation to our fixed assets, which gives the reader a more realistic view of the value of our capital resources which we use in the performance of the Council's activities, and which we will have to replace in the future.

The Council's annual report is composed of five parts as follows:

1. Management's Discussion and Analysis (MD&A)
2. Basic Financial Statements
3. GASB Required Supplementary Information
4. Supplementary Information on General Fund and Non-Major Governmental Funds
5. Special Reports of the Certified Public Accountant and Management

The auditor has provided assurance in his independent auditor's report, located immediately before this Management Discussion and Analysis, that the Basic Financial Statements are fairly presented. The auditor is providing varying degrees of assurance about Supplemental 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.

## **Basic Financial Statements**

The basic financial statements include two kinds of statements that present different perspectives of the Council: *Government-wide Statements*, and *Fund Financial Statements*.

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

The analysis of the Council as a whole begins on page 14 and gives the reader an opportunity to evaluate whether the current year's activities left the Council in a stronger or weaker position financially. The statements are prepared like a private sector business; that is, the accrual method of accounting is used, recognizing revenues and expenses in the current year regardless of when cash is received or paid. In addition, the factor of depreciation is included, where a systematic reduction in the value of existing capital assets is realized and is expensed accordingly.

Exhibit A, known as the Statement of Net Assets, summarizes all of the Council's major classes of assets and liabilities at year-end, with the difference between the two being designated as Net Assets, which is further broken down into its restricted, unrestricted, and capital components. Over time, increases or decreases in net assets are one indicator of whether its financial position is improving or deteriorating. However, to assess the overall condition of the Council, the reader will have to consider other non-financial factors, such as the condition of the Council's capital assets, future additions or cuts to funding from its revenue sources, and the expansion or contraction of activities of programs and services.

Exhibit B, known as the Statement of Activities, shows how the net assets have changed during the current fiscal year, based upon the activities performed. The Council's activities consist of a Health, Welfare, and Social Services function, and an Administrative function. Within the Health, Welfare and Social Services function are various programs that include Supportive Services, Nutritional Services, Utility Assistance, Information and Assistance, Senior Center Operations, and others as noted. All of these activities are *governmental activities*, which mean that the Council uses government grants and contracts, along with contributions from the general public, to pay for services it provides to our segment of the general public, that is, the elderly.

The Council does not charge for any of the services provided, but encourages contributions from its clientele.

### **Using the Fund Financial Statements to Focus on the Council's Most Significant Funds**

The analysis of the Council's major funds begins on page 16. The Fund Financial Statements are designed to provide the reader a more detailed view of the Council's most significant funds, which would include the General Fund and certain Special Revenue Funds. All of these funds are governmental funds.

The presentation of these fund statements use a *modified accrual basis* of accounting, versus the accrual basis used in the Government Wide Financial Statements. For the Council's purposes, the difference between the two methods is in how capital outlays are handled.

In the Fund Financial Statements, a capital outlay is recorded and expensed *in total*, when acquired. Whereas in the Government Wide Financial Statements, the capital outlay is recorded as an *asset*, then depreciated over its estimated useful life, resulting in a systematic *depreciation expense* recognized throughout several fiscal years, and not the full cost of the asset being expensed in the year acquired. Reconciliations are included in the Fund Financial Statements to account for these differences.

### **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 the Fund Financial Statements. The notes begin on page 24. The reader should read these notes before making any assumptions or drawing conclusions about the Council's financial condition.

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

The Government 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. A major fund is one whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a fund that does not meet the above criteria, may be included as a major fund, if in the opinion of management, it is important to present to the Council's financial statement users.

The schedules compare the original and final approved budgets to actual results for the Council's fiscal year. In addition, variances are presented comparing the final budget to the actual results. The Schedules begin on page 48.

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

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

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present as schedules the information on pages 66 - 69. 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.

The Office of Management and Budget (OMB) through its Circular A-133 requires a Schedule of Expenditures of Federal Awards. This schedule will present required information about the Council's federally funded programs in a manner that can facilitate financial and compliance analysis by the agencies that have granted Federal money to 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 this fiscal year:

	June 30,	
	2005	2004
Current and other Assets	\$1,330,915	\$1,445,555
Capital Assets, net of Depreciation	184,777	222,075
Total Assets	1,515,692	1,667,630
Compensated Absences	16,310	17,828
Other Liabilities	185,613	179,287
Total Liabilities	201,923	197,115
Net Assets:		
Invested in Capital Assets, net of related debt	184,777	222,075
Restricted	196,003	322,789
Unrestricted	932,989	925,651
Total Net Assets	<b><u>\$1,313,769</u></b>	<b><u>\$1,470,515</u></b>

As of June 30, 2005, the Council "as a whole" had assets greater than its liabilities by \$1,313,769, of which \$932,989 or 71% is unrestricted. An amount of \$281,602 or 30.2% of the unrestricted funds belongs to the Community Committees on Aging, which have the authority to spend their resources for the betterment of the elderly in their respective communities. An amount of \$500,000 or 53.6% of the *unrestricted funds is designated as a Working Capital Reserve, the purpose of which is to have available resources to systematically phase out programs in the event of funding cancellation or delay by either legislative action or policy changes.* It is important for the Council to have unrestricted net assets in order to have resources available to respond to reductions in funding, emergencies, or program terminations.

Net assets are deemed restrictive when constraints are placed on the asset's use by the grantor, contributor, or laws or regulations of other governmental agencies. In addition, laws created through constitutional provisions or enabling legislation can impose restrictions to net assets.

The Council's restricted net assets are comprised of resources dedicated to the Nutrition programs, specifically the Nutritional Supplements Incentive Program (or NSIP) fund; the Endowment fund; a demographics survey of the elderly in Jefferson Parish; the Helping Hands Fund; and prepaid expenditures.

Compensated absences represent the liability due to eligible full-time employees for earned but unused vacation leave. In the event of termination, the employee is entitled payment for any outstanding unused vacation leave, provided he/she has followed all procedures as required in the Council's personnel policy.

Other liabilities consist primarily of accrued payroll related expenses and vendor payables.

The following table shows condensed information in the changes to the Council's net assets for the year ended June 30, 2005 versus June 30, 2004:

	<u>June 30,</u>	
	<u>2005</u>	<u>2004</u>
<b>Revenues</b>		
<b>Program Revenues:</b>		
Charges for Services	\$ 244,443	\$ 268,410
Operating Grants and Contributions	3,724,649	3,454,563
Capital Grants and Contributions	115,000	107,629
<b>General Revenues:</b>		
Local Governments	244,350	300,000
Grants Not Restricted To Specific Programs	668,377	706,134
Fund Raising - Endowment Donations and Interest	2,555	2,671
Unrestricted Investment Earnings	<u>12,197</u>	<u>10,847</u>
<b>Total Revenues</b>	<u><b>5,011,571</b></u>	<u><b>4,850,254</b></u>
<b>Direct Program Expenses of the Health, Welfare, and Social Services functions:</b>		
<b>Supportive Services:</b>		
Personal Care	59,614	62,860
Adult Day Health Care	6,890	4,700
Homemaker	61,509	54,721
Individual Counseling	4,320	1,980
Legal Assistance	15,750	14,438
Material Aid	25,206	19,205
Public Education	2,122	1,726
Senior Employment Training	303,892	288,756
Recreation and Education	5,555	7,834
Transportation	495,346	520,553
<b>Nutrition Services:</b>		
Congregate Meals	550,601	525,421
Home Delivered Meals	952,207	912,507

	<u>June 30,</u>	
	<u>2005</u>	<u>2004</u>
Utility Assistance	87,182	123,186
Community Committees	114,099	114,141
Grant to Jefferson Parish	115,000	-
Information and Assistance	346,355	236,488
In-Homes Respite Care	51,762	34,030
Preventive Health	32,105	25,385
Senior Centers	1,469,758	1,311,910
Direct Administration Expenses	<u>471,019</u>	<u>477,023</u>
 Total Expenses	 <u>5,170,292</u>	 <u>4,736,864</u>
 Excess (Deficiency) of Revenues over Expenses Before Special Items	 (158,721)	 113,390
Special Items	<u>1,975</u>	<u>10,502</u>
 Increase (Decrease) in Net Assets	 <u>\$ (156,746)</u>	 <u>\$ 123,892</u>

The Council's total revenues increased by \$161,318 (or 3.3%) over last year. The primary factors for this increase are as follows:

- An increase in In-kind contributions of \$126,857 primarily from the use of the Estelle Senior Center facilities and increased volunteer hours donated primarily in the Westwego and Gretna areas.
- State funding for a new program called the Louisiana SenioRx Program (SenioRx) totaling \$123,323 which was used to assist eligible senior citizens to obtain their prescription drugs for free or at a substantially reduced cost.
- An appropriation from the State Legislature in the amount of \$115,000 for the purpose of building a covered entranceway at the Marrero/Harvey Senior Center.
- An appropriation from the State Legislature in the amount of \$50,000 for startup costs and operation of the Estelle Senior Center.

Offsetting the increases of total revenues from last fiscal year are the following:

- Charges for transportation rides in fiscal year 2005 were reduced by \$23,556 (or 8.8%) due to savings in transportation operating costs over last fiscal year.
- A reduction of \$37,757 (or 28%) in fiscal year 2005 PCOA funding by GOEA from fiscal year 2004's funding.
- Last year's revenues included an addition to the annual appropriation from Jefferson Parish in the amount of \$55,650 that was not repeated in 2005.
- A "one-time" special appropriation from the parish in the amount of \$25,000 to fund a demographics survey of the elderly in Jefferson Parish was given to the Council during fiscal 2004.

- An appropriation from the State Legislature in the amount of \$24,807 was given in fiscal 2004 for the benefit of the Metairie Senior Center, subsequently used to set up a computer lab.
- Contributions were received in fiscal year 2004 totaling \$82,822 from the Louisiana Department of Transportation and Development for 80% of the cost of the three vans acquired last year; no vans were acquired in fiscal year 2005.

The Council's total expenses increased by \$433,429 (or 9.2%) over last year. The primary factors for this increase are as follows:

- Payments totaling \$115,000 were made to Jefferson Parish for the construction of the covered entranceway at Marrero/Harvey Senior Center, as stated in the Cooperative Endeavor Agreement between Jefferson Parish and the Council dated January 27, 2005 per Jefferson Parish Council Resolution number 102526. Funding for the payments was received by the State Legislature (see above.).
- An increase in the Information and Assistance function was primarily due to the addition of the SenioRx program during fiscal year 2005 which totaled \$124,323.
- An increase in the Congregate Meal program was due primarily to the addition of in-kind expenses for the use of Estelle Senior Center as a meal site, partially offset by loss of volunteer hours for a net total of \$25,557.
- An increase in Home Delivered Meals program was due primarily to the number of catered meals served (an additional 11,243 meals served totaling \$27,013), along with additional labor related costs necessary in the delivery process (salaries up by \$4,752, fringes by \$1,829 and travel costs by \$4,831.
- An increase in Senior Center operations cost was due primarily to in-kind expenses of \$96,480 which includes the addition of Estelle Senior Center facilities and increased volunteer labor at other centers. (See above comments regarding revenues). In addition, the first year of operations at the Estelle Senior Center added \$54,371 of operating cost in fiscal year 2005.

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

#### **Fund Balances**

The Council showed a combined governmental fund balance of \$1,128,992 per the Fund Balance Sheet, a decrease of \$119,448 or 9.6%% from last year. The decrease is primarily attributable to the use of the Nutritional Services Incentive Fund (NSIP) to subsidize the raw food cost component of the Nutrition programs over and above the current year's funding.

#### **Revenues**

The increases in revenues, as stated elsewhere in the MD&A, were due primarily to State Legislature Appropriations of \$165,000 related to Senior Centers, \$123,323 in State funds for the establishment of the new SenioRx program, and increases in in-kind contributions, offset primarily by fiscal year 2004 State and Parish contributions which did not recur in fiscal year 2005. Additional information on these revenues was discussed previously in the **Analysis of the Council as a whole using government-wide financial statements.**

## **Expenditures**

The increases in expenditures were likewise discussed previously in the **Analysis of the Council as a whole using government-wide financial statements.**

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

Over the course of the fiscal year, the budget was amended once. The primary reasons for amending a budget are to account for unanticipated changes in both revenues and expenditures and to prevent compliance violations under the Council's grants from GOEA. The Council's budget amendment was primarily to account for the following:

- 51% increase or \$165,000 in Supplemental Senior Center revenue from the State Legislature.
  - \$115,000 was received for the construction of a covered entranceway at the Marrero/Harvey Senior Center.
  - \$50,000 was received for start up operations at the newly opened Estelle Senior Center.
- 28% decrease or \$37,757 in PCOA (Parish Councils on Aging, a.k.a. Act 735 funds) from GOEA.
- \$147,200 grant from GOEA to operate the SenioRx program, of which \$123,323 was utilized.

The effect of the revenue increases dedicated funding for additional expenditures for a new program or payment of a capital improvement. The cut in PCOA funding forced re-allocation of other general revenues to cover deficits, and ultimately additional NSIP funds were utilized for the Nutrition programs.

The amendment was approved by the Board of Directors on May 10, 2005.

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

At the end of the fiscal year, the Council had \$184,777 in fixed assets net of accumulated depreciation. This represents a net decrease of \$37,296 over last year as shown below:

	<u>Capital Assets, Net of Accumulated Depreciation at Year End Governmental Activities</u>	
	<u>2005</u>	<u>2004</u>
Furniture and Equipment	\$ 55,033	\$ 48,881
Vans and Autos	<u>129,744</u>	<u>173,194</u>
Totals	<u>\$184,777</u>	<u>\$222,075</u>

The major additions for this year included the acquisition of computers and related equipment to set up a five station computer lab at the Estelle Senior Center. A new telephone system was also installed at Estelle. The funds used to acquire these items were part of the \$50,000 Legislative appropriation to set up operations at Estelle.



Because of the start up of the SenioRx program during this year, we acquired laptop computers and related presentation equipment for the new staff. In addition, a new telephone system was acquired for the program since the Council's telephone system could not accommodate the additional staff. Funding was provided from the SenioRx grant.

The disposals consisted of outdated and irreparable typing systems and computers. These items were sent to Jefferson Parish surplus. More detailed information on the Council's capital assets can be found in the notes to the financial statements.

The Council does not have any long-term debt.

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

The Council receives most of its funding from Federal and State agencies. In addition, the Council receives funds and a significant in-kind contribution from Jefferson Parish in the form of facility usage to provide Senior Centers and meal sites in the unincorporated areas of the Parish. Historically, these income sources have been steady, however, some of the Council's grants and contracts are contingent upon the level of service provided by the Council, and thus, revenues can vary from year to year. There had been no significant changes to the funding levels or the terms of the grants and contracts from prior year levels. The fiscal year 2006 original budget has been approved by GOEA.

Preparation of the fiscal year 2006 budget included the following major factors:

- Revenue stream from the Fiscal Year 2006 schedule of funding received from GOEA.
- Revenue stream from contributions to the Nutrition programs.
- Numbers of services the Council could provide with projected funding levels, considering the demand for services offered.
- Staffing levels required to maintain services projected.
- A full year of operations projected for the SenioRx program.

After the submission and subsequent approval of our budget, the State Legislature granted additional funding to the Council for the operations of senior centers located on the West Bank, and also additional funding for the Council's discretionary use (PCOA funds). However, before a revised budget could be prepared and submitted to our Board, and subsequently to GOEA, Hurricanes Katrina and Rita hit.

The devastation caused by Hurricanes Katrina and Rita will have a major impact on the operations of the Council in Fiscal Year 2006 and beyond as follows:

- The vendor that provides our congregate and home-delivered meals lost their local kitchen and for a time was unable to provide hot meals for our participants; therefore we had to distribute shelf-stable meals to the participants. The vendor has since utilized a kitchen facility in Magee, Mississippi from which hot meals are being distributed into Jefferson and Orleans parishes until suitable local kitchen facilities can be established.

- The senior centers located at Grand Isle, Metairie, and Marrero suffered significant damage, thus curtailing operations in those centers until the Parish or municipality can affect repairs to those facilities and make them safe for our participants.
- Several nutrition sites had to be closed and relocated to other sites.
- Our in-home services provider (i.e. Homemaker, Personal Care, and Respite Care) lost virtually all of their staff and is attempting to hire new staff at higher rates of pay; the effect being higher unit costs being charged to the Council and subsequent reductions in services.
- Wages in the marketplace have increased causing the rate of pay of a majority of our positions to be non-competitive. The effect of this increase may result in loss of current staff with the subsequent replacement staff being paid at a higher rate of pay, which could also result in an increase to wages for current staff and subsequent reductions to levels of services that the Council can afford to provide.
- The relocation of many of our participants to other areas outside Jefferson Parish makes it difficult to determine the number of services that need to be provided, pending the participants' decision to return to the Parish. In addition, the Council is being charged by GOEA to pay other Area Agencies on Aging for services provided by them to Jefferson Parish elderly that are currently displaced.
- Services that we had been providing will be reduced due to temporary or permanent loss of Council staff and volunteers.

It is certain that at least one revision to the Fiscal Year 2006 budget will have to be submitted to account for the post-Katrina conditions mentioned above, and in addition, as of this writing, the above mentioned State Legislative appropriations were eliminated. Further State funds cuts could be in the offing.

On November 2, 2004, an election was held in Jefferson Parish to rededicate certain mileage collections to other services in need of funding. One of the propositions was targeted for the unincorporated areas of Jefferson Parish and Lafitte, dedicating a ½ mill for senior services. For approximately three and one-half years prior to this election, the Council had been working vigorously with Parish officials directly and with the Senior Citizens Budget Committee established in May 2001 by the Parish Council, for the purpose of defining the needs of the seniors in the Parish. The Jefferson Council on Aging, Inc. anticipated receiving a majority, if not all, of this millage provided it submitted to the Parish Council a proposal defining how the funds would be used. The Parish would provide the necessary instructions in order to apply for the funds.

The referendum was passed, however, due to Hurricanes Katrina and Rita, all property in Jefferson Parish had to be reassessed; therefore, no millages had been collected as of the end of 2005. In preparation of the fiscal year 2006 budget, the Council did not include any anticipated receipts of this millage.

Finally, the Council was awarded a contract from the Governor's Office of Elderly Affairs (GOEA) to establish an "Aging and Disability Resource Center" for the multi-parish areas of Jefferson, Orleans, St. Bernard, and Plaquemines Parishes effective January 1, 2006 through September 30, 2006, with the possibility of future extensions of the contract beyond that period. The amount of the contract is \$174,158.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide government agencies and the general public an overview of the Council's finances, and demonstrate the accountability for the funding it receives. If there are any questions regarding the content of this report, or any related information about the Council, please contact Thomas C. Laughlin, Executive Director, Michael F. Edwards, Administrative Director, or Frank V. Forte, Controller at the Council's main office located at 6640 Riverside Drive, Suite 140, Metairie, LA 70003, or by phone at (504) 888-5880. If email is the preferred medium of contact, please send as follows:

Thomas C. Laughlin	<a href="mailto:tcl@jcoa.net">tcl@jcoa.net</a>
Michael F. Edwards	<a href="mailto:medwards@jcoa.net">medwards@jcoa.net</a>
Frank V. Forte	<a href="mailto:fforte@jcoa.net">fforte@jcoa.net</a>

**STATEMENT OF NET ASSETS****Jefferson Council on Aging, Inc.**

June 30, 2005

**Assets**

Cash and cash equivalents	\$ 960,015
Investments	232,978
Accounts receivable	23,062
Prepaid expenses	18,156
Restricted assets:	
Cash and cash equivalents	2,704
Investments	94,000
Capital assets:	
Depreciable, net of accumulated depreciation	<u>184,777</u>
 Total assets	 <u>1,515,692</u>

**Liabilities**

Accounts payable and accrued expenses	<u>201,923</u>
---------------------------------------	----------------

**Net Assets**

Invested in capital assets	184,777
Restricted for -	
other purposes	196,003
Unrestricted	<u>932,989</u>
 Total net assets	 <u>\$ 1,313,769</u>

See notes to financial statements.

**STATEMENT OF ACTIVITIES****Jefferson Council on Aging, Inc.**

For the year ended June 30, 2005

Functions/Programs	Direct Expenses	Indirect Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:						
Health, welfare and social services:						
Supportive Services:						
Personal Care	\$ 59,614	\$ -	\$ -	\$ 59,614	\$ -	\$ -
Adult Day Health Care	6,890	-	-	6,890	-	-
Homemaker	61,509	-	-	61,509	-	-
Individual Counseling	4,320	-	-	4,320	-	-
Legal Assistance	15,750	-	-	14,000	-	(1,750)
Material Aid	25,206	-	-	25,206	-	-
Public Education	2,122	109	-	2,231	-	-
Senior Employment Training	303,892	15,770	-	278,807	-	(40,855)
Recreation and Education	5,555	-	-	1,100	-	(4,455)
Transportation	495,346	24,256	244,398	57,971	-	(217,233)
Nutrition Services:						
Congregate Meals	550,601	26,452	45	559,824	-	(17,184)
Home Delivered Meals	952,207	39,765	-	782,448	-	(209,524)
Utility Assistance	87,182	-	-	98,090	-	10,908
Community Committees	114,099	-	-	116,587	-	2,488
Grant to Jefferson Parish	115,000	-	-	-	115,000	-
Information and Assistance	346,355	56,754	-	353,300	-	(49,809)
In-Homes Respite	51,762	-	-	51,762	-	-
Preventive Health	32,105	5,820	-	16,707	-	(21,218)
Senior Centers	1,469,758	71,602	-	1,115,390	-	(425,970)
Administration	471,019	(240,528)	-	118,893	-	(111,598)
Total governmental activities	\$ 5,170,292	\$ -	\$ 244,443	\$ 3,724,649	\$ 115,000	(1,086,200)
General Revenues:						
Local governments						244,350
Grants not restricted to specific programs						668,377
Fund raising - endowment donations and interest						2,555
Unrestricted investment earnings						12,197
Special Items:						
Refund on auto insurance premium						3,544
Loss on disposition of assets						(1,569)
Total general revenues						929,454
Change in net assets						(156,746)
Net assets:						
Beginning						1,470,515
Ending						\$ 1,313,769

See notes to financial statements.

**FUND BALANCE SHEET -  
GOVERNMENTAL FUNDS**

**Jefferson Council on Aging, Inc.**

June 30, 2005

	<u>General Fund</u>	<u>Title III B - Supportive Services Fund</u>	<u>Title III C-1 - Congregate Meals Fund</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 960,015	\$ -	\$ -
Investments	232,978	-	-
Accounts receivable	362	-	-
Prepaid expenditures	18,156	-	-
Due from other funds	4,978	16,731	5,372
Restricted assets:			
Cash and cash equivalents	2,704	-	-
Investments	94,000	-	-
Total assets	<u>\$ 1,313,193</u>	<u>\$ 16,731</u>	<u>\$ 5,372</u>
<b>Liabilities</b>			
Accounts payable and accrued expenditures	\$ 94,595	\$ 16,731	\$ 5,372
Due to other funds	145,749	-	-
Total liabilities	<u>240,344</u>	<u>16,731</u>	<u>5,372</u>
<b>Fund Balances</b>			
Reserved, reported in:			
General Fund	139,860	-	-
Special Revenue Funds	-	-	-
Unreserved, reported in:			
General Fund	932,989	-	-
Total fund balances	<u>1,072,849</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,313,193</u>	<u>\$ 16,731</u>	<u>\$ 5,372</u>

See notes to financial statements.

Title III C-2 - Home Delivered Meals Fund	Senior Center Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 960,015
-	-	-	232,978
-	15,227	7,473	23,062
-	-	-	18,156
27,362	12,211	84,073	150,727
-	-	-	2,704
-	-	-	94,000
<u>\$ 27,362</u>	<u>\$ 27,438</u>	<u>\$ 91,546</u>	<u>\$ 1,481,642</u>
\$ 27,362	\$ 27,438	\$ 30,425	\$ 201,923
-	-	4,978	150,727
<u>27,362</u>	<u>27,438</u>	<u>35,403</u>	<u>352,650</u>
-	-	-	139,860
-	-	56,143	56,143
-	-	-	932,989
<u>-</u>	<u>-</u>	<u>56,143</u>	<u>1,128,992</u>
<u>\$ 27,362</u>	<u>\$ 27,438</u>	<u>\$ 91,546</u>	<u>\$ 1,481,642</u>

**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET ASSETS**

**Jefferson Council on Aging, Inc.**

June 30, 2005

<b>Fund Balances - Governmental Funds</b>	<b>\$ 1,128,992</b>
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the Governmental funds:

Governmental capital assets	\$ 433,193	
Less accumulated depreciation	<u>(248,416)</u>	<u>184,777</u>
<b>Net Assets of Governmental Activities</b>		<b><u><u>\$ 1,313,769</u></u></b>

See notes to financial statements.



**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS**

**Jefferson Council on Aging, Inc.**

For the year ended June 30, 2005

	<u>General Fund</u>	<u>Title III B - Supportive Services Fund</u>	<u>Title III C-1 - Congregate Meals Fund</u>	<u>Title III C-2 - Home Delivered Meals Fund</u>
<b>Revenues</b>				
Intergovernmental:				
State of Louisiana:				
Office of Elderly Affairs	\$ 94,957	\$ 352,925	\$ 213,436	\$ 405,636
Department of Insurance	10,000	-	-	-
Local governments	244,350	-	-	-
Charges for services	244,398	-	45	-
Interest income	19,079	-	-	-
Public support:				
Arts Council of New Orleans	1,100	-	-	-
Client contributions	38,505	10	46,872	126,671
Donations to endowment fund	516	-	-	-
Utility assistance	-	-	-	-
Miscellaneous	76,784	-	-	-
In-kind contributions	13,615	-	279,310	107,046
Total revenues	<u>743,304</u>	<u>352,935</u>	<u>539,663</u>	<u>639,353</u>
<b>Expenditures</b>				
Current:				
Health and welfare:				
Salaries	202,366	109,489	117,380	177,973
Fringe	43,527	24,817	20,820	29,783
Travel	1,174	3,376	291	47,776
Operating services	164,503	17,976	15,329	30,312
Operating supplies	78,146	1,054	18,257	7,440
Other costs	16,260	371,669	52	48
Meals	-	-	125,614	591,593
Utility assistance	-	-	-	-
Grant to Jefferson Parish	-	-	-	-
Capital outlay	-	-	-	-
In-kind expenditures	13,615	-	279,310	107,046
Total expenditures	<u>519,591</u>	<u>528,381</u>	<u>577,053</u>	<u>991,971</u>
Excess (deficiency) of revenues over expenditures	<u>223,713</u>	<u>(175,446)</u>	<u>(37,390)</u>	<u>(352,618)</u>
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	62,398	175,446	37,390	352,618
Operating transfers out	<u>(277,586)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(215,188)</u>	<u>175,446</u>	<u>37,390</u>	<u>352,618</u>
<b>Net Change in Fund Balances</b>	8,525	-	-	-
<b>Fund Balances</b>				
Beginning of year	<u>1,064,324</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 1,072,849</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

<u>Senior Center Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 250,617	\$ 1,324,763	\$ 2,642,334
-	-	10,000
15,227	-	259,577
-	-	244,443
-	-	19,079
-	-	-
-	-	1,100
-	1,000	213,058
-	-	516
-	98,090	98,090
-	-	76,784
1,050,163	-	1,450,134
<u>1,316,007</u>	<u>1,423,853</u>	<u>5,015,115</u>
339,928	458,630	1,405,766
68,162	90,588	277,697
4,296	10,197	67,110
47,350	86,959	362,429
31,375	41,230	177,502
86	66,072	454,187
-	-	717,207
-	87,182	87,182
115,000	-	115,000
13,323	7,026	20,349
1,050,163	-	1,450,134
<u>1,669,683</u>	<u>847,884</u>	<u>5,134,563</u>
<u>(353,676)</u>	<u>575,969</u>	<u>(119,448)</u>
353,676	86,042	1,067,570
-	(789,984)	(1,067,570)
<u>353,676</u>	<u>(703,942)</u>	<u>-</u>
-	(127,973)	(119,448)
-	184,116	1,248,440
<u>\$ -</u>	<u>\$ 56,143</u>	<u>\$ 1,128,992</u>

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**Jefferson Council on Aging, Inc.**

For the year ended June 30, 2005

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (119,448)</b>
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period:

Capital outlays	\$ 20,349	
Depreciation expense	<u>(56,078)</u>	(35,729)

The net effect of various transactions involving capital assets, such as sales, trade-ins and dispositions, is to decrease net assets

(1,569)

<b>Change in Net Assets of Governmental Activities</b>	<b><u>\$ (156,746)</u></b>
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See notes to financial statements.

**STATEMENT OF CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS**

**Jefferson Council on Aging, Inc.**

For the year ended June 30, 2005

	<u>General Fund</u>		
	<u>Reserved</u>		
	<u>Endowment</u>	<u>Prepaid Expenditures</u>	<u>Demographics Survey of the Elderly in Jefferson Parish</u>
June 30, 2004	\$ 94,148	\$ 19,525	\$ 25,000
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-
Increase (decrease) of reserves for nonmonetary assets	-	(1,369)	-
Increase (decrease) of reserves for endowment	<u>2,556</u>	<u>-</u>	<u>-</u>
June 30, 2005	<u>\$ 96,704</u>	<u>\$ 18,156</u>	<u>\$ 25,000</u>

See notes to financial statements.

General Fund						
Unreserved						
Working Capital Reserve	Designated Community Committees On Aging	Arts Grant Bridge City	Undesignated	Total	Special Revenue Funds Reserved	Total Governmental Funds
\$ 500,000	\$ 279,114	\$ 60	\$ 146,477	\$ 1,064,324	\$ 184,116	\$ 1,248,440
-	2,488	(60)	6,097	8,525	(127,973)	(119,448)
-	-	-	1,369	-	-	-
-	-	-	(2,556)	-	-	-
<u>\$ 500,000</u>	<u>\$ 281,602</u>	<u>\$ -</u>	<u>\$ 151,387</u>	<u>\$ 1,072,849</u>	<u>\$ 56,143</u>	<u>\$ 1,128,992</u>

**NOTES TO FINANCIAL STATEMENTS****Jefferson Council on Aging, Inc.**

June 30, 2005

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of Jefferson Council on Aging, Inc. (the Council) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The following is a summary of certain significant accounting policies:

**a) Purpose of the Council on Aging (LA R.S. 46:1601-1609)**

The purpose of the Council is to serve the senior citizens of the Parish of Jefferson (the Parish), such as to collect facts and statistics and make special studies of conditions pertaining to the employment, financial status, recreation, social adjustment, mental and physical health and other conditions affecting the aging people in the Parish; to keep abreast of the latest developments in these fields of activity throughout the Parish, the State 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) and 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.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a) Purpose of the Council on Aging (LA R.S. 46:1601-1609) (Continued)**

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

**b) Reporting Entity**

In 1964, the State of Louisiana passed Act 456 authorizing the charter of a voluntary council on aging for the welfare of the aging people in each parish of Louisiana. In 1979, the Louisiana Legislature created the Governor's Office of Elderly Affairs (GOEA) (LA R.S.46:931) with the specific intention that GOEA administer and coordinate social series and programs for the elderly population of Louisiana through sixty-four parish voluntary councils on aging. However, before the council on aging can begin operations in a specific parish, its application for a charter must receive approval from GOEA 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 policies and regulations established by GOEA.

The Council was chartered as a quasi-public agency by Governor John J. McKeithen on June 23, 1970, on petition to the Louisiana Commission on Aging, under LA R.S. 46:1600. Articles of Incorporation were submitted by the Council's Board of Directors on September 10, 1971, and were registered with the Secretary of State on November 23, 1971, as a nonprofit, organization under LA R.S. 12:2001.

A board of directors, consisting of 21 voluntary members, who serve two three-year terms, governs the Council. The board is comprised of representatives of the Parish's general public that represent all sections of the Parish and that are drawn from, but not limited to, civic organizations, governmental agencies, business and religious groups, Jefferson Parish School Board and Jefferson Parish Government, and State Government officials representing Jefferson Parish. Board members are elected by the General Membership of the Council during its annual meeting. In the event of an interim vacancy, however, the Board, may upon recommendation of its Nominating Committee, appoint a new Board member to fill the unexpired term of the vacancy, provided the General Membership ratifies the continuance of the appointment at its next annual meeting.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b) Reporting Entity (Continued)**

In accordance with the implementation of GASB Statement No. 14, "the Financial Reporting Entity", the Council's basic financial statements include the accounts of all functions and activities. The criteria used to determine whether the Council has component units (separate governmental units, agencies, or nonprofit corporations associated with the Council) includes appointment of a voting majority, imposition of will, imposition of financial benefit to or burden on the Council, and fiscal dependency. The Council has determined that no other outside entity meets the above criteria and should be included in its financial statements.

**c) Basis of Presentation**

The Council's basic financial statements consist of the government-wide statements on all activities of the Council and the governmental fund financial statements (individual major funds and combined non-major funds).

**Government-wide Financial Statements:**

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all activities of the Council. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the Council as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are supported by intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 expenses". 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. Program revenues include: (1) contributions from participants who use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.



Note 1 - **PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Basis of Presentation (Continued)**

*Fund Financial Statements:*

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of Statement No. 34. Emphasis is now on the major funds in governmental categories. Non-major funds by category or fund type are summarized into a single column.

The daily accounts and operations of the Council continue to be organized on the basis of funds and accounts 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. Government 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 of the Council are grouped into generic fund types and fund categories as follows:

**Governmental Activities Presented as Governmental Funds in the Fund Financial Statements:**

**General Fund** - The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those that are required to be accounted for in another fund. The General Fund is always a major fund.

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Title III B - Supportive Services Fund, Title III C-1 - Congregate Meals Fund, Title III C-2 - Home Delivered Meals Fund and Senior Center Fund are reported as major funds.

The following programs comprise the Council's General Fund:

**SHIIP** - (Senior Health Insurance Information Program) - This fund is used to account for the expenditures associated with the Council's sponsorship of SHIIP. This program provides health insurance counseling to seniors in Jefferson Parish.

**Fund Raising** - This fund is used to account for the fund raising efforts of the Council and includes contributions and interest generated in the Endowment.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Basis of Presentation (Continued)**

**Transportation** - These funds are used to operate the transportation program which provides nutrition and social rides to program participants. The deficits incurred in this program are absorbed by the Council's discretionary funds.

**Local** - Local funds are received from various local sources, primarily Jefferson Parish; such funds not being restricted to any special use.

**Community Committees** - Community Committees funds are the funds of the ten Community Committees on Aging as described in Note 10. These funds are general funds designated for the Community Committees on Aging. The Community Committees on Aging generated these funds.

**PCOA (Act 735)** - PCOA (Act 735) funds are appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. The Council may use these "Act 735" funds at its discretion.

**Arts Grant Bridge City** - These funds were granted by the Arts Council of New Orleans. These funds are general funds designated for the Bridge City Senior Center to assist in the funding of art projects at the center.

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

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

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

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Basis of Presentation (Continued)**

**Title III C-2 - Home Delivered Meals Fund** - Title III C-2 funds are provided by the United States Department of Health and Human Services - Administration on Aging to the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. These funds are used to provide nutritional meals to homebound older persons.

**Senior Center Fund** - Senior Center funds are appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which "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.

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

**Title III D - Disease Prevention and Health Promotion Services Fund** - This fund accounts for the funds used to provide disease prevention and health promotion services to the elderly of Jefferson Parish. Some of the services provided are health risk assessments, routine health screening, nutrition screening, counseling, and educational services.

**Title III E - National Family Caregiver Support Fund** - This fund is used to account for the support services for family caregivers and grandparents or older individuals who are relative caregivers. The fund provides information to caregivers about available services, assistance to caregivers in gaining access to the services, individual counseling, caregiver education and training, material aid, and supportive services such as respite and personal care.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Basis of Presentation (Continued)**

**Title V Fund** - This fund is used to account for the payment and reimbursement of expenses incurred in the operation of the Title V program. Included in these expenses are salaries paid for program participants whose salaries are being paid by funds provided through this program. The Council operates this program in Jefferson, St. Bernard, and Plaquemines Parishes.

**Nutrition Services Incentive Program Fund (NSIP)** - The NSIP funds are used to account for the administration of the Food Distribution Program funds provided by the United States Department of Health and Human Services - Administration on Aging to the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This program reimburses the service provider based on the percentage of meals served by the Council to meals served by all service providers in the State during the Federal fiscal year. The fund balance of \$42,609 at June 30, 2005 is to be used to fund the raw food costs components for the year ending June 30, 2006.

**Supplemental Senior Center Fund** - The Supplemental Senior Center Fund is used to account for the administration and expenditure of funds provided by the State of Louisiana to the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. For the year ended June 30, 2005, these funds included \$197,284 for senior center operations, \$115,000 for a capital improvement for the Marrero/Harvey Senior Center, \$87,827 for Title III C-2-Home Delivered Meals, \$67,186 for Title III B-Supportive Services, and \$20,506 for Title III D-Preventive Health.

**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 of the Council's financial statements.

**Helping Hands Fund** - The Helping Hands Fund is used to account for the administration of the program sponsored by Entergy. Entergy collects contributions from service customers and remits the funds to disbursing agents who in turn remit funds relating to Jefferson Parish to the Council so that it can provide assistance to the elderly and disabled for the payment of their electric bills. The disbursing agent for Helping Hands is the East Baton Rouge Council on Aging.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Basis of Presentation (Continued)**

**SenioRx Fund** - This fund is used to account for the expenditures associated with the Louisiana SenioRx Program (SenioRx). The Council operates a multi-parish program serving the parishes of St. Charles, St. James, and St. John the Baptist, as well as Jefferson, by providing eligible seniors with assistance in obtaining their prescription medications directly from the pharmaceutical companies at a significant discount or even free of charge. The Council began its participation in the program in the first quarter of fiscal year 2005.

**d) Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

**Government-wide Financial Statements:**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

**Fund Financial Statements:**

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government’s availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. The Council’s definition of available means expected to be received within sixty days of the end of the fiscal year.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d) Measurement Focus and Basis of Accounting (Continued)**

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for accumulated unpaid vacation and sick pay which is recorded as expenditures in the governmental fund type when paid with expendable available financial resources. Allocations of cost such as depreciation are not recognized in the governmental funds.

**e) Use of Estimates**

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

**f) Accounts Receivable**

The financial statements for the Council contain no allowance for bad debts. *Uncollectible receivables* are recognized as bad debts at the time information becomes available, which would indicate uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position of the Council.

**g) Cash, Cash Equivalents and Investments**

Cash includes amounts in demand deposits, interest bearing demand deposits, and petty cash.

Cash equivalents include certificates of deposit and securities with maturities of six months or less when purchased.

*Investments* are stated at fair value as established by open market. Investments during the year consisted of certificates of deposit.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**h) Capital Assets**

The accounting treatment over equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

**Government-wide Financial Statements:**

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$1,000 or more are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation with an estimated 10% salvage value. The range of estimated useful lives by type of asset is as follows:

Furniture and equipment	5 - 10 years
Vans and auto	5 years

**Fund Financial Statements:**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**i) Non-Current Liabilities**

The accounting treatment of non-current liabilities depends on whether they are reported in the government-wide or fund financial statements.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Non-Current Liabilities (Continued)**

Government-wide Financial Statements:

All non-current liabilities to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist of accumulated unpaid vacation.

Fund Financial Statements:

Non-current liabilities for governmental funds are not reported as liabilities in the fund financial statements.

The Council has no non-current liabilities.

**j) Accumulated Vacation, Compensatory Time and Sick Leave**

The Council's policies regarding vacation and sick leave permit full-time employees to accumulate earned but unused vacation and sick leave. Full-time employees of the Council shall be entitled to vacation with pay and shall accrue vacation time in the following manner:

First year through seventh year	Two weeks
Eighth year through nineteenth year	Three weeks
Twentieth year and over	Four weeks

Employees may carry over up to one week of earned vacation into the next calendar year. Accumulated vacation leave is due to the employee at the time of termination of employment, provided that the employee complies with the terms set forth in the Council's Separation of Employment policy. Although sick leave accumulates and is available for employees when needed, it does not vest nor is it payable at termination of employment. Therefore, a liability is established only for unused vacation, and is recorded in the fund financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.



**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) Income Taxes**

Tax exempt status has been granted under Internal Revenue Code Section 501(c)(3).

**l) Interfund Transfers**

In the financial statements, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate. Transfers represent a permanent reallocation of resources between funds. In other words, they are not expected to be paid. For reporting purpose, all interfund transactions between individual governmental funds have been eliminated.

**m) Funding Policies**

The Council receives its monies through various methods of funding. NSIP funds are provided through the Louisiana Governor's Office of Elderly Affairs to help offset raw food costs in Title III C-1 and C-2 programs. This program is funded based upon the Council's percentage of eligible meals served compared to the State's total of eligible meals served. The Senior Center program State Allocation, (PCOA) funds and Louisiana SenioRx Program (SenioRx) are received as a monthly allocation of the total budget (grant) in advance of the actual expenditure.

The Title III B, C-1, and C-2 programs are funded based on actual operating costs incurred.

The Council encourages and receives contributions from clients to help offset the costs of the Title III B, C-1, and C-2 programs. Jefferson Parish Council and other local governments also provided funds to the Council. Energy, through the East Baton Rouge Council on Aging, also provides utility assistance funds to the Council under the Helping Hands program.

With the exception of NSIP and Helping Hands Fund, any unused funds at the end of the year cannot be carried forward to fund future operations, and must be returned to the funding source.

**n) Related Party Transactions**

There were no related party transactions during the fiscal year.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**o) 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 functions or programs. Indirect expenses are recorded as direct expenses of the Administration function. GOEA provides funds to partially subsidize the Council's Administration function. The unsubsidized net cost of the Administration function is allocated using a formula that is based primarily on the relationship the direct cost of all programs. There are some programs that cannot absorb any indirect cost allocation according to their grant or contract limitations.

**p) Fund Equity**

Government-wide Statements:

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets - 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 borrowings that are attributable to the acquisition, construction or improvement of those assets. At June 30, 2005, the Council did not report any borrowings.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets".

When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first, then unrestricted resources as they are needed except for nutrition services. When providing nutrition services, revenues earned by the Council under its NSIP contract with GOEA can only be used to pay for the raw food component of each meal that is bought and served to a person eligible to receive a meal under one of the nutrition programs. The Council's management has discretion as to how and when to use NSIP revenues when paying for nutrition program costs. Unrestricted resources could be available for use that

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**p) Fund Equity (Continued)**

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.

**Fund Financial Statements:**

Governmental fund equity is classified as fund balance. Fund balance may be further classified as reserved and unreserved, with unreserved further split between 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 make 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.

**Note 2 - DEPOSITS AND INVESTMENTS**

The Council follows State statutes authorizing investment of excess funds in obligations of the United States, certificates of deposit and money market funds of any bank domiciled or having a branch office in the State of Louisiana or any other federally insured investment.

*State statutes also authorize investment in obligations of the U.S. Treasury, agencies, and instrumentalities; commercial paper rated AAA 1, 2, or 3; repurchase agreements; and the State of Louisiana Asset Management Pool.*

The Council is a quasi-governmental entity which is not required to comply with Louisiana laws relating to collateralization of cash and investments. The Council, however, obtains collateralization for cash at financial institutions which is in excess of the FDIC insurance. Acceptable collateralization includes FDIC insurance and securities pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by political subdivisions, or with an unaffiliated bank, or with a trust company for the account of the political subdivision.

**Note 2 - DEPOSITS AND INVESTMENTS (Continued)**

The year-end bank balances of deposits and the carrying amounts as shown on the Statement of Net Assets and Governmental Fund Balance Sheet are as follows:

	<u>Bank Balances</u>	<u>Reported Balances</u>
Cash	\$ 699,354	\$ 661,414
Money market fund	300,000	300,000
Certificates of deposit	<u>326,978</u>	<u>326,978</u>
Totals	<u>\$1,326,332</u>	<u>\$1,288,392</u>

Custodial credit risk is the risk that in the event of a bank failure, the Council's deposits may not be returned to it. The Council has a written policy for custodial credit risk. As of June 30, 2005, \$843,752 of the council's bank balances of \$1,326,332 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Council's name.

At June 30, 2005, cash, money market fund and certificates of deposit were adequately collateralized in accordance with State law by securities held by unaffiliated banks for the account of the Council. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for State and local governments, considered these securities subject to custodial credit risk. Even though the pledged securities are subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229, imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

A reconciliation of deposits and investments as shown in the combined balance sheet is as follows:

Cash on hand	\$ 1,305
Reported amount of deposits	<u>1,288,392</u>
Total	<u>\$1,289,697</u>
Classified as:	
Cash and cash equivalents	\$ 962,719
Investments (certificates of deposits)	<u>326,978</u>
Total	<u>\$1,289,697</u>

**Note 3 - ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2005 consisted of reimbursements for expenditures incurred under the following programs and other receivables:

	<u>General Fund</u>	<u>Senior Center Fund</u>	<u>Other Governmental Funds</u>	<u>Total Receivables</u>
State of Louisiana - Office of Elderly Affairs - Title III E - National Family Caregiver Program	\$ -	\$ -	\$6,504	\$ 6,504
N.S.I.P. Program	-	-	969	969
City of Kenner - Senior Center	-	10,627	-	10,627
City of Westwego	-	4,600	-	4,600
Other	<u>362</u>	<u>-</u>	<u>-</u>	<u>362</u>
Totals	<u>\$362</u>	<u>\$15,227</u>	<u>\$7,473</u>	<u>\$23,062</u>

**Note 4 - CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2005 was as follows:

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2005</u>
<i>Capital assets being depreciated:</i>				
Furniture and equipment	\$ 119,700	\$ 20,349	\$15,687	\$ 124,362
Vans and auto	<u>308,831</u>	<u>-</u>	<u>-</u>	<u>308,831</u>
Total capital assets being depreciated	<u>428,531</u>	<u>20,349</u>	<u>15,687</u>	<u>433,193</u>
<i>Less accumulated depreciation for:</i>				
Furniture and equipment	(70,819)	(12,628)	14,118	(69,329)
Vans and auto	<u>(135,637)</u>	<u>(43,450)</u>	<u>-</u>	<u>(179,087)</u>
Total accumulated depreciation	<u>(206,456)</u>	<u>(56,078)</u>	<u>14,118</u>	<u>(248,416)</u>
Total capital assets, net	<u>\$ 222,075</u>	<u>\$ (35,729)</u>	<u>\$ 1,569</u>	<u>\$ 184,777</u>

**Note 4 - CHANGES IN CAPITAL ASSETS (Continued)**

Depreciation was charged to governmental activities as follows:

Administration	\$12,628
Supportive Services - Transportation	<u>43,450</u>
Total	<u>\$56,078</u>

**Note 5 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES**

Accounts payable and accrued expenditures at June 30, 2005 consisted of the following:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>GOEA</u>	<u>Other</u>	<u>Total Payables</u>
Governmental activities:					
General Fund	\$5,019	\$88,335	\$ -	\$ 1,241	\$ 94,595
Title III B - Supportive Services Fund	16,602	129	-	-	16,731
Title C-1 - Congregate Meals Fund	5,343	29	-	-	5,372
Title III C-2 - Home Delivered Meals Fund	25,812	1,550	-	-	27,362
Senior Center Fund	9,201	237	-	18,000	27,438
Other Governmental Funds	<u>5,742</u>	<u>622</u>	<u>23,877</u>	<u>184</u>	<u>30,425</u>
Total accounts payable and accrued expenditures	<u>\$67,719</u>	<u>\$90,902</u>	<u>\$23,877</u>	<u>\$19,425</u>	<u>\$201,923</u>

**Note 6 - DUE TO/FROM OTHER FUNDS**

Due to/from other funds are listed by fund for the year ended June 30, 2005:

	<u>Receivable Fund</u>	<u>Payable Fund</u>
<b>General Fund:</b>		
Title III B - Supportive Services Fund \$	-	\$ 16,731
Title III C-1 - Congregate Meals Fund	-	5,372
Title III C-2 - Home Delivered Meals Fund	-	27,362
SenioRx Fund	-	28,570
Senior Center Fund	-	12,211
Other Governmental Funds	<u>4,978</u>	<u>55,503</u>
<b>Totals</b>	<u>4,978</u>	<u>145,749</u>
 <b>Title III B - Supportive Services Fund:</b>		
General Fund	<u>16,731</u>	
 <b>Title III C-1 - Congregant Meals Fund:</b>		
General Fund	<u>5,372</u>	
 <b>Title III C-2 - Home Delivered Meals Fund:</b>		
General Fund	<u>27,362</u>	
 <b>Senior Center Fund:</b>		
General Fund	<u>12,211</u>	
 <b>Other Governmental Funds:</b>		
General Fund	<u>84,073</u>	<u>4,978</u>
<b>Totals</b>	<u>\$150,727</u>	<u>\$150,727</u>

**Note 7 - GOVERNMENTAL FUND - GENERAL FUND PROGRAM - LOCAL -  
ENDOWMENT**

This represents funds that are subject to restrictions of the donor and/or Board of Directors requiring in perpetuity that the principal be invested in order to generate income sufficient to supplement funding of existing programs operated by the Council, or to create new programs, as authorized by the Board of Directors. At this time, the Board of Directors has agreed to reinvest earnings generated from the Endowment principal into the Endowment principal to facilitate the growth of principal. The balance reserved for endowment totaled \$96,704 at June 30, 2005.

**Note 8 - GOVERNMENTAL FUND - GENERAL FUND PROGRAM - LOCAL -  
WORKING CAPITAL RESERVE**

This represents funds that will be used to phase out programs in the event normal funding is delayed or canceled by either legislative action or policy changes. The funds may be used to cover short-term emergencies. Such funds will be replaced as soon as they are received. The working capital reserve designation totaled \$500,000 at June 30, 2005.



Exhibit H  
(Continued)

Note 9 - INTERFUND TRANSFERS

Operating transfers in and out are listed by fund for the year ended June 30, 2005:

	Funds Transferred In		Funds Transferred Out					Total Funds Transferred In
	Fund Raising	Transportation	General Fund		PCOA (Act 735)	Other Governmental Funds		
			Local			Nutritional Services Incentive Program Fund	Supplemental Senior Center Fund	
SHIIP	\$ -	\$ -	\$ 56,457	\$ -	\$ -	\$ -	\$ -	\$ 56,457
Local	2,556	3,382	-	-	-	-	-	5,938
Arts Grant Bridge City	-	-	3	-	-	-	-	3
<b>Total General Fund</b>								<b>62,398</b>
Title III B - Supportive Services Fund	-	-	37,102	71,158	-	67,186	-	175,446
Title III C-1 - Congregate Meals Fund	-	-	-	-	37,390	-	-	37,390
Title III C-2 - Home Delivered Meals Fund	-	-	-	-	264,791	87,827	-	352,618
Senior Center Fund	-	-	41,392	-	-	312,284	-	353,676
Title III C - Area Agency Administration Fund	-	-	2,893	21,076	-	-	-	23,969
Title III D - Preventive Health Fund	-	-	712	-	-	20,506	-	21,218
Title V Fund	-	-	40,855	-	-	-	-	40,855
<b>Total Other Governmental Funds</b>								<b>86,042</b>
<b>Total funds transferred out</b>	<b>\$ 2,556</b>	<b>\$ 3,382</b>	<b>\$ 179,414</b>	<b>\$ 92,234</b>	<b>\$ 302,181</b>	<b>\$ 487,803</b>	<b>\$ 1,067,570</b>	

**Note 10 - COMMUNITY COMMITTEES ON AGING**

The ten Community Committees on Aging within Jefferson Parish are chartered under the authority of Jefferson Council on Aging, Inc. Because of this, they are considered included in the reporting entity of Jefferson Council on Aging, Inc. Fund balances for these committees totaled \$281,602 at June 30, 2005. There is no General Fixed Asset Account Group presented for the Community Committees on Aging because it is not material.

**Note 11 - IN-KIND CONTRIBUTIONS**

Jefferson Council on Aging, Inc. received in-kind contributions during the year in the nature of contributed facilities. Contributed facilities were recorded at the estimated rental value of the facilities and presented in this report as revenue. Related expenditures, equal to the in-kind revenues, have also been presented, thereby producing no effect on excess of revenues over expenditures.

Donated personal services of volunteers and contributed goods are recorded as revenues and expenditures at estimated fair values based upon valuation rates and job classifications developed by the Council.

For the year ended June 30, 2005, in-kind revenues and expenditures were recorded by funds as follows:

	<u>Fair Value of Rent</u>	<u>Donations and Contributions</u>	<u>Totals</u>
General Fund:			
SHIIP	\$ -	\$ 13,615	\$ 13,615
Special Revenue Funds:			
Title III C-1 - Congregate			
Meals Fund	235,127	44,183	279,310
Title III C-2 Home Delivered			
Meals Fund	30,654	76,392	107,046
Senior Center Fund	<u>648,605</u>	<u>401,558</u>	<u>1,050,163</u>
 Totals	 <u>\$914,386</u>	 <u>\$535,748</u>	 <u>\$1,450,134</u>

**Note 12 - OPERATING LEASES**

The Jefferson Council on Aging, Inc. leased office space from the Jefferson Parish Council under a five-year lease with fixed monthly rent of \$5,153, beginning March 1, 2003. The total rent expense paid under this lease for the year ended June 30, 2005 was \$61,830. As of June 30, 2005, the Council had thirty-two months remaining on this lease with total payments of approximately \$165,000.

**Note 13 - GRANT TO JEFFERSON PARISH**

As discussed in Note 1c, the Council received \$115,000 for a capital improvement for the Marrero/Harvey Senior Center for the year ended June 30, 2005. In January 2005, the Council entered into an agreement with the Parish in which the Council remitted the \$115,000 to the Parish to construct a covered entranceway at the Senior Center. The responsibility will be with the Parish to ensure the capital improvement is completed.

**Note 14 - RISK MANAGEMENT**

The Council is exposed to various risks of loss related to workers' compensation; torts; thefts of, damage to and destruction of assets; errors and omissions and natural disasters; for which the Council carries commercial insurance. No settlements were made during the year that exceeded the Council's insurance coverage.

**Note 15 - IRC SECTION 125 CAFETERIA PLAN**

The Council provides an Internal Revenue Code Section 125 "Cafeteria" plan for all its full-time employees. Under this plan an eligible employee can elect to have a portion of their compensation reduced to pay for group health insurance that the employee would normally have to pay with "after tax" compensation. Participation in this plan is at the option of each full-time employee.

**Note 16 - ECONOMIC DEPENDENCY**

The Council receives a majority of its program 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 program funds the Council receives could be reduced significantly and have an adverse impact on its operations.

**Note 17 - CONTINGENCIES - GRANT PROGRAMS**

The Council participates in a number of federally assisted programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Council has not complied with the rules and regulations governing the grants, refunds of any money received and the collectibility of any related receivable at year-end may be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing State and Federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Council.

**Note 18 - JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES**

There is no litigation pending against the Council at June 30, 2005.

The Council receives revenues from various Federal and State grant programs which are subject to final review and approval as to allow ability of expenditures by the respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the agency and the Council. In addition, 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 19 - INCOME TAX STATUS**

The Council, a nonprofit corporation, is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Council is not required to file Form 990, Return of Organization Exempt from Income Tax, since the Council falls under the definition of "an affiliate of a governmental unit" under Section 4 of Rev. Proc. 95-48, 1995-47 I.R.B. as per ruling from the Internal Revenue Service, dated January 24, 2000.

**Note 20 - RELATED PARTY TRANSACTIONS**

There were no significant related party transactions during the year.

**Note 21 - BOARD OF DIRECTORS**

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

**Note 22 - SUBSEQUENT EVENT**

The Council's administrative office was temporarily closed on August 29, 2005 due to a mandatory evacuation for Hurricane Katrina imposed by the Parish. The Council conducted its business through remote locations until it was able to reoccupy its office on September 19, 2005. The Council had no significant damages to its administrative offices. The State of Louisiana incurred significant losses as a result of Hurricanes Katrina and Rita in August and September 2005. Hurricane relief and recovery efforts have stretched the State's finances and increased the likelihood of cuts in the Council's future funding from the State. If significant budget cuts are made at the Federal, State and local government levels, the amount of funds that the Council will receive could be reduced significantly and have an adverse impact on its operations. Management is not able to estimate at this time the amount of funds that the Council will receive from future State funding. However, management believes that it will receive sufficient funds to avoid a material impact on the Council's future operations.

**GASB REQUIRED SUPPLEMENTARY INFORMATION SECTION**

**REQUIRED SUPPLEMENTARY INFORMATION -**  
**BUDGETARY COMPARISON SCHEDULE -**  
**GENERAL FUND**

**Jefferson Council on Aging, Inc.**

For the year ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 382,064	\$ 349,307	\$ 349,307	\$ -
Charges for services	248,291	248,291	244,398	(3,893)
Interest income	15,842	15,842	19,079	3,237
Public support	38,505	38,505	40,121	1,616
Miscellaneous	73,240	73,240	76,784	3,544
In-kind contributions	13,615	13,615	13,615	-
<b>Total revenues</b>	<u>771,557</u>	<u>738,800</u>	<u>743,304</u>	<u>4,504</u>
<b>Expenditures</b>				
Current:				
Health and welfare:				
Salaries	194,644	194,644	202,366	(7,722)
Fringe	42,908	42,908	43,527	(619)
Travel	1,756	1,756	1,174	582
Operating services	171,036	171,036	164,503	6,533
Operating supplies	76,382	76,381	78,146	(1,765)
Other costs	10,094	10,094	16,260	(6,166)
In-kind expenditures	13,615	13,615	13,615	-
<b>Total expenditures</b>	<u>510,435</u>	<u>510,434</u>	<u>519,591</u>	<u>(9,157)</u>
<b>Excess of revenues over expenditures</b>	<u>261,122</u>	<u>228,366</u>	<u>223,713</u>	<u>(4,653)</u>
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	56,572	51,571	62,398	10,827
Operating transfers out	<u>(315,206)</u>	<u>(277,449)</u>	<u>(277,586)</u>	<u>(137)</u>
<b>Total other financing sources (uses)</b>	<u>(258,634)</u>	<u>(225,878)</u>	<u>(215,188)</u>	<u>10,690</u>
<b>Net Change in Fund Balance</b>	<u>\$ 2,488</u>	<u>\$ 2,488</u>	8,525	<u>\$ 6,037</u>
<b>Fund Balance</b>				
Beginning of year			<u>1,064,324</u>	
End of year			<u>\$ 1,072,849</u>	

See note to required supplementary information.

**REQUIRED SUPPLEMENTARY INFORMATION -**  
**BUDGETARY COMPARISON SCHEDULE -**  
**TITLE III B - SUPPORTIVE SERVICES FUND**

**Jefferson Council on Aging, Inc.**

For the year ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 352,925	\$ 352,925	\$ 352,925	\$ -
Public support	-	-	10	10
Total revenues	<u>352,925</u>	<u>352,925</u>	<u>352,935</u>	<u>10</u>
<b>Expenditures</b>				
Current:				
Health and welfare:				
Salaries	112,009	112,009	109,489	2,520
Fringe	24,381	24,381	24,817	(436)
Travel	3,157	3,157	3,376	(219)
Operating services	17,268	17,268	17,976	(708)
Operating supplies	1,273	1,273	1,054	219
Other costs	<u>373,088</u>	<u>373,088</u>	<u>371,669</u>	<u>1,419</u>
Total expenditures	<u>531,176</u>	<u>531,176</u>	<u>528,381</u>	<u>2,795</u>
Deficiency of revenues over expenditures	(178,251)	(178,251)	(175,446)	2,805
<b>Other Financing Sources</b>				
Operating transfers in	<u>178,251</u>	<u>178,251</u>	<u>175,446</u>	<u>(2,805)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Fund Balance</b>				
Beginning of year			-	
End of year			<u>\$ -</u>	

See note to required supplementary information.



**REQUIRED SUPPLEMENTARY INFORMATION -**  
**BUDGETARY COMPARISON SCHEDULE -**  
**TITLE III C-1 - CONGREGATE MEALS FUND**

**Jefferson Council on Aging, Inc.**

For the year ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 213,436	\$ 213,436	\$ 213,436	\$ -
Charges for services	-	-	45	45
Public support	39,081	39,081	46,872	7,791
In-kind contributions	276,647	276,647	279,310	2,663
<b>Total revenues</b>	<b>529,164</b>	<b>529,164</b>	<b>539,663</b>	<b>10,499</b>
<b>Expenditures</b>				
Current:				
Health and welfare:				
Salaries	135,700	135,700	117,380	18,320
Fringe	22,398	22,398	20,820	1,578
Travel	483	483	291	192
Operating services	14,370	14,370	15,329	(959)
Operating supplies	29,703	29,703	18,257	11,446
Other costs	-	-	52	(52)
Meals	125,272	125,272	125,614	(342)
In-kind expenditures	276,647	276,647	279,310	(2,663)
<b>Total expenditures</b>	<b>604,573</b>	<b>604,573</b>	<b>577,053</b>	<b>27,520</b>
Deficiency of revenues over expenditures	(75,409)	(75,409)	(37,390)	38,019
<b>Other Financing Sources</b>				
Operating transfers in	75,409	75,409	37,390	(38,019)
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balance</b>				
Beginning of year			-	
End of year			\$ -	

See note to required supplementary information.

**REQUIRED SUPPLEMENTARY INFORMATION -**  
**BUDGETARY COMPARISON SCHEDULE -**  
**TITLE III C-2 - HOME DELIVERED MEALS FUND**

**Jefferson Council on Aging, Inc.**

For the year ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 405,636	\$ 405,636	\$ 405,636	\$ -
Public support	182,613	182,613	126,671	(55,942)
In-kind contributions	120,913	120,913	107,046	(13,867)
<b>Total revenues</b>	<b>709,162</b>	<b>709,162</b>	<b>639,353</b>	<b>(69,809)</b>
<b>Expenditures</b>				
Current:				
Health and welfare:				
Salaries	171,694	171,694	177,973	(6,279)
Fringe	29,633	29,633	29,783	(150)
Travel	36,932	36,932	47,776	(10,844)
Operating services	28,275	28,275	30,312	(2,037)
Operating supplies	9,805	9,805	7,440	2,365
Other costs	-	-	48	(48)
Meals	585,400	585,400	591,593	(6,193)
In-kind expenditures	120,913	120,913	107,046	13,867
<b>Total expenditures</b>	<b>982,652</b>	<b>982,652</b>	<b>991,971</b>	<b>(9,319)</b>
Deficiency of revenues over expenditures	(273,490)	(273,490)	(352,618)	(79,128)
<b>Other Financing Sources</b>				
Operating transfers in	273,490	273,490	352,618	79,128
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balance</b>				
Beginning of year			-	
End of year			\$ -	

See note to required supplementary information.

**REQUIRED SUPPLEMENTARY INFORMATION -**  
**BUDGETARY COMPARISON SCHEDULE -**  
**SENIOR CENTER FUND**

**Jefferson Council on Aging, Inc.**

For the year ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 250,617	\$ 250,617	\$ 250,617	\$ -
Local Governments	15,227	15,227	15,227	-
In-kind contributions	994,205	994,205	1,050,163	55,958
<b>Total revenues</b>	<u>1,260,049</u>	<u>1,260,049</u>	<u>1,316,007</u>	<u>55,958</u>
<b>Expenditures</b>				
Current:				
Health and welfare:				
Salaries	359,047	359,047	339,928	19,119
Fringe	70,058	70,058	68,162	1,896
Travel	956	956	4,296	(3,340)
Operating services	44,899	44,899	47,350	(2,451)
Operating supplies	15,296	40,296	31,375	8,921
Other costs	-	-	86	(86)
Grant to Jefferson Parish	-	115,000	115,000	-
Capital Outlay	-	25,000	13,323	11,677
In-kind expenditures	994,205	994,205	1,050,163	(55,958)
<b>Total expenditures</b>	<u>1,484,461</u>	<u>1,649,461</u>	<u>1,669,683</u>	<u>(20,222)</u>
Deficiency of revenues over expenditures	(224,412)	(389,412)	(353,676)	35,736
<b>Other Financing Sources</b>				
Operating transfers in	224,412	389,412	353,676	(35,736)
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Fund Balance</b>				
Beginning of year			-	
End of year			<u>\$ -</u>	

See note to required supplementary information.

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY REPORTING**

**Jefferson Council on Aging, Inc.**

For the year ended June 30, 2005

The Council adheres to the following procedures in establishing the budgetary data reflected in the financial statements.

- Governor's Office of Elderly Affairs (GOEA) notifies the Council each year as to the funding levels for each program's award.
- The Council may also obtain funds 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 Council's Controller 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 June 1 of the current year for the next year.
- The adopted budget is forwarded to the GOEA for final approval.
- All budgetary appropriations lapse at the end of each fiscal year (June 30).
- 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 May 10, 2005.
- 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 GOEA for funds received under grants from this State agency. As a part of this grant awarded, GOEA required the Council to amend its budget in cases where actual costs for a particular cost category exceeded 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 budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- Community Committee revenues and expenditures and utility assistance expenditures are not budgeted. In the financial statements, the budgeted amounts for these items were set equal to actual as to not distort variances.

Major funds, for which annual budgets are adopted, are included in the budget presentations in required supplementary information.

**SUPPLEMENTARY INFORMATION SECTION**  
**INCLUDING INFORMATION REQUIRED BY GOEA**



Bourgeois Bennett

**INDEPENDENT AUDITOR'S REPORT ON  
ADDITIONAL INFORMATION**

To the Board of Directors,  
Jefferson Council on Aging, Inc.,

Our report on our audit of the basic financial statements of the Jefferson Council on Aging, Inc., (the Council) for the year ended June 30, 2005, appears on pages 1 and 2. That audit was conducted for the purpose of forming an opinion on such financial statements taken as a whole. The accompanying schedules listed in the table of contents including the combining and governmental fund financial statements and schedule of expenditures of Federal awards as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Government, and Non-Profit Organizations and Units of Service, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for units of service for the years ended June 30, 2005 and 2004 marked "unaudited" in Schedule 8, on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements for the year ended June 30, 2005, taken as a whole.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Metairie, Louisiana,  
November 8, 2005.

**BALANCE SHEET - GOVERNMENTAL FUND - GENERAL FUND PROGRAMS**

**Jefferson Council on Aging, Inc.**

June 30, 2005

	<u>SHIIP</u>	<u>Fund Raising</u>	<u>Transport- tation</u>	<u>Local</u>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 860,391
Investments	-	-	-	51,000
Accounts receivable	-	-	-	362
Prepaid expenditures	-	-	-	18,156
Due from other funds	-	-	-	4,978
Restricted assets:				
Cash and cash equivalents	-	-	-	2,704
Investments	-	-	-	94,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,031,591</u>
<b>Liabilities and Fund Balance</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 28,240
Accrued salaries	-	-	-	50,045
Accrued annual leave	-	-	-	16,310
Due to other fund	-	-	-	145,749
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>240,344</u>
<b>Fund Balance</b>				
Reserved for:				
Endowment	-	-	-	96,704
Prepaid expenditures	-	-	-	18,156
Demographics survey of the elderly in Jefferson Parish	-	-	-	25,000
Unreserved:				
Designated	-	-	-	500,000
Undesignated	-	-	-	151,387
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>791,247</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,031,591</u>



<u>Community Committees</u>	<u>PCOA (Act 735)</u>	<u>Arts Grant Bridge City</u>	<u>Total</u>
\$ 99,624	\$ -	\$ -	\$ 960,015
181,978	-	-	232,978
-	-	-	362
-	-	-	18,156
-	-	-	4,978
-	-	-	2,704
-	-	-	94,000
<u>\$ 281,602</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,313,193</u>
\$ -	\$ -	\$ -	\$ 28,240
-	-	-	50,045
-	-	-	16,310
-	-	-	145,749
<u>-</u>	<u>-</u>	<u>-</u>	<u>240,344</u>
-	-	-	96,704
-	-	-	18,156
-	-	-	25,000
281,602	-	-	781,602
-	-	-	151,387
<u>281,602</u>	<u>-</u>	<u>-</u>	<u>1,072,849</u>
<u>\$ 281,602</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,313,193</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - GOVERNMENTAL FUND - GENERAL FUND PROGRAMS**

**Jefferson Council on Aging, Inc.**

For the year ended June 30, 2005

	<u>SHIIP</u>	<u>Fund Raising</u>	<u>Transport- tation</u>	<u>Local</u>
<b>Revenues</b>				
Intergovernmental:				
State of Louisiana:				
Office of Elderly Affairs	\$ -	\$ -	\$ -	\$ -
Department of Insurance	10,000	-	-	-
Local governments	-	-	-	244,350
Charges for services	-	-	244,398	-
Interest income	-	2,040	-	12,197
Public support:				
Arts Council of New Orleans	-	-	-	-
Client contributions	-	-	-	-
Donations to endowment fund	-	516	-	-
Miscellaneous	-	-	3,544	-
In-kind contributions	13,615	-	-	-
	<u>23,615</u>	<u>2,556</u>	<u>247,942</u>	<u>256,547</u>
Total revenues				
<b>Expenditures</b>				
Current:				
Health and welfare				
Salaries	43,424	-	108,397	50,545
Fringe	10,732	-	18,332	14,463
Travel	326	-	713	135
Operating services	11,565	-	100,865	8,130
Operating supplies	398	-	930	3,636
Other costs	12	-	15,323	65
In-kind expenditures	13,615	-	-	-
	<u>80,072</u>	<u>-</u>	<u>244,560</u>	<u>76,974</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>(56,457)</u>	<u>2,556</u>	<u>3,382</u>	<u>179,573</u>
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	56,457	-	-	5,938
Operating transfers out	-	(2,556)	(3,382)	(179,414)
	<u>56,457</u>	<u>(2,556)</u>	<u>(3,382)</u>	<u>(173,476)</u>
Total other financing sources (uses)				
<b>Net Change in Fund Balances</b>	-	-	-	6,097
<b>Fund Balances</b>				
Beginning of year	-	-	-	785,150
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 791,247</u>

<u>Community Committees</u>	<u>PCOA (Act 735)</u>	<u>Arts Grant Bridge City</u>	<u>Total</u>
\$ -	\$ 94,957	\$ -	\$ 94,957
-	-	-	10,000
-	-	-	244,350
-	-	-	244,398
4,842	-	-	19,079
-	-	1,100	1,100
38,505	-	-	38,505
-	-	-	516
73,240	-	-	76,784
-	-	-	13,615
<u>116,587</u>	<u>94,957</u>	<u>1,100</u>	<u>743,304</u>
-	-	-	202,366
-	-	-	43,527
-	-	-	1,174
42,735	1,208	-	164,503
71,364	1,515	303	78,146
-	-	860	16,260
-	-	-	13,615
<u>114,099</u>	<u>2,723</u>	<u>1,163</u>	<u>519,591</u>
<u>2,488</u>	<u>92,234</u>	<u>(63)</u>	<u>223,713</u>
-	-	3	62,398
-	(92,234)	-	(277,586)
-	(92,234)	3	(215,188)
2,488	-	(60)	8,525
<u>279,114</u>	<u>-</u>	<u>60</u>	<u>1,064,324</u>
<u>\$ 281,602</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,072,849</u>

**COMBINING BALANCE SHEET - COMMUNITY COMMITTEES ON AGING -  
GOVERNMENTAL FUND - GENERAL FUND PROGRAM**

**Jefferson Council on Aging, Inc.**

June 30, 2005

	<u>Marrero</u>	<u>Gretna</u>	<u>Kenner</u>	<u>Grand Isle</u>	<u>Westwego</u>
<b>Assets</b>					
Cash and					
cash equivalents	\$ 9,009	\$ 8,078	\$ 3,390	\$ 3,783	\$ 37,648
Investments	<u>26,801</u>	<u>4,470</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Total assets	<u>\$ 35,810</u>	<u>\$ 12,548</u>	<u>\$ 3,390</u>	<u>\$ 3,783</u>	<u>\$ 87,648</u>
 <b>Fund Balances</b>					
Unreserved:					
Designated	<u>\$ 35,810</u>	<u>\$ 12,548</u>	<u>\$ 3,390</u>	<u>3,783</u>	<u>\$ 87,648</u>

<u>Metairie</u>	<u>Lafitte</u>	<u>Jefferson</u>	<u>Bridge City</u>	<u>Harahan</u>	<u>Total</u>
\$ 8,966	\$ 8,849	\$ 8,351	\$ 5,596	\$ 5,954	\$ 99,624
<u>41,118</u>	<u>-</u>	<u>24,288</u>	<u>-</u>	<u>35,301</u>	<u>181,978</u>
<u>\$ 50,084</u>	<u>\$ 8,849</u>	<u>\$ 32,639</u>	<u>\$ 5,596</u>	<u>\$ 41,255</u>	<u>\$ 281,602</u>
<u>\$ 50,084</u>	<u>\$ 8,849</u>	<u>\$ 32,639</u>	<u>\$ 5,596</u>	<u>\$ 41,255</u>	<u>\$ 281,602</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - COMMUNITY COMMITTEES ON AGING -  
GOVERNMENTAL FUND - GENERAL FUND PROGRAM**

**Jefferson Council on Aging, Inc.**

For the year ended June 30, 2005

	<u>Marrero</u>	<u>Gretna</u>	<u>Kenner</u>	<u>Grand Isle</u>	<u>Westwego</u>
<b>Revenues</b>					
Interest income	\$ 419	\$ 67	\$ -	\$ 11	\$ 2,321
Public support -					
Client contributions	7,627	2,653	1,586	1,704	3,143
Miscellaneous	<u>1,100</u>	<u>2,645</u>	<u>3,094</u>	<u>250</u>	<u>37,342</u>
Total revenues	<u>9,146</u>	<u>5,365</u>	<u>4,680</u>	<u>1,965</u>	<u>42,806</u>
<b>Expenditures</b>					
Current:					
Operating services	-	346	250	72	32,155
Operating supplies	<u>10,446</u>	<u>4,385</u>	<u>5,681</u>	<u>2,673</u>	<u>12,388</u>
Total expenditures	<u>10,446</u>	<u>4,731</u>	<u>5,931</u>	<u>2,745</u>	<u>44,543</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,300)	634	(1,251)	(780)	(1,737)
<b>Fund Balance</b>					
Beginning of year	<u>37,110</u>	<u>11,914</u>	<u>4,641</u>	<u>4,563</u>	<u>89,385</u>
End of year	<u>\$ 35,810</u>	<u>\$ 12,548</u>	<u>\$ 3,390</u>	<u>\$ 3,783</u>	<u>\$ 87,648</u>

Schedule 4

<u>Metairie</u>	<u>Lafitte</u>	<u>Jefferson</u>	<u>Bridge City</u>	<u>Harahan</u>	<u>Total</u>
\$ 656	\$ -	\$ 167	\$ -	\$ 1,201	\$ 4,842
5,457	5,068	-	11,167	100	38,505
<u>5,664</u>	<u>-</u>	<u>4,257</u>	<u>452</u>	<u>18,436</u>	<u>73,240</u>
<u>11,777</u>	<u>5,068</u>	<u>4,424</u>	<u>11,619</u>	<u>19,737</u>	<u>116,587</u>
3,731	452	2,224	134	3,371	42,735
<u>5,157</u>	<u>4,218</u>	<u>1,941</u>	<u>11,174</u>	<u>13,301</u>	<u>71,364</u>
<u>8,888</u>	<u>4,670</u>	<u>4,165</u>	<u>11,308</u>	<u>16,672</u>	<u>114,099</u>
2,889	398	259	311	3,065	2,488
<u>47,195</u>	<u>8,451</u>	<u>32,380</u>	<u>5,285</u>	<u>38,190</u>	<u>279,114</u>
<u>\$ 50,084</u>	<u>\$ 8,849</u>	<u>\$ 32,639</u>	<u>\$ 5,596</u>	<u>\$ 41,255</u>	<u>\$ 281,602</u>

**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVE MENTAL FUNDS - SPECIAL REVENUE FUNDS**

**Jefferson Council on Aging, Inc.**

June 30, 2005

	<u>Title III C - Area Agency Administration Fund</u>	<u>Title III D - Disease Prevention and Health Promotion Services Fund</u>	<u>Title III E - National Family Caregiver Support Fund</u>	<u>Title V Fund</u>
<b>Assets</b>				
Accounts receivable	\$ -	\$ -	\$ 6,504	\$ -
Due from other funds	<u>136</u>	<u>-</u>	<u>-</u>	<u>193</u>
<b>Total assets</b>	<u><u>\$ 136</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,504</u></u>	<u><u>\$ 193</u></u>
<b>Liabilities</b>				
Accounts payable	\$ 136	\$ -	\$ 1,526	\$ 193
Due to other funds	<u>-</u>	<u>-</u>	<u>4,978</u>	<u>-</u>
	136	-	6,504	193
<b>Fund Balances</b>				
Reserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 136</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,504</u></u>	<u><u>\$ 193</u></u>



<u>Nutritional Services Incentive Program Fund</u>	<u>Supplemental Senior Center Fund</u>	<u>Audit Fund</u>	<u>Helping Hands Fund</u>	<u>SenioRx Fund</u>	<u>Total</u>
\$ 969	\$ -	\$ -	\$ -	\$ -	\$ 7,473
<u>41,640</u>	<u>-</u>	<u>-</u>	<u>13,534</u>	<u>28,570</u>	<u>84,073</u>
<u>\$ 42,609</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,534</u>	<u>\$ 28,570</u>	<u>\$ 91,546</u>
\$ -	\$ -	\$ -	\$ -	\$ 28,570	\$ 30,425
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,978</u>
-	-	-	-	28,570	35,403
<u>42,609</u>	<u>-</u>	<u>-</u>	<u>13,534</u>	<u>-</u>	<u>56,143</u>
<u>\$ 42,609</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,534</u>	<u>\$ 28,570</u>	<u>\$ 91,546</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

**Jefferson Council on Aging, Inc.**

For the year ended June 30, 2005

	<u>Title III C - Area Agency Administration Fund</u>	<u>Title III D - Disease Prevention and Health Promotion Services Fund</u>	<u>Title III E - National Family Caregiver Support Fund</u>
<b>Revenues</b>			
Intergovernmental:			
State of Louisiana:			
Office of Elderly Affairs	\$ 105,152	\$ 16,707	\$ 135,930
Public Support:			
Client contributions	-	-	-
Utility assistance	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	<u>105,152</u>	<u>16,707</u>	<u>135,930</u>
<b>Expenditures</b>			
Current:			
Health and welfare:			
Salaries	86,083	23,643	33,580
Fringe	24,631	6,765	8,022
Travel	2,758	1,672	427
Operating services	14,490	4,548	5,409
Operating supplies	993	1,290	25,511
Other costs	166	7	62,981
Utility assistance	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	<u>129,121</u>	<u>37,925</u>	<u>135,930</u>
Excess (deficiency) of revenues over expenditures	<u>(23,969)</u>	<u>(21,218)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>			
Operating transfers in	23,969	21,218	-
Operating transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	<u>23,969</u>	<u>21,218</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	-	-	-
<b>Fund Balances</b>			
Beginning of year	-	-	-
	<hr/>	<hr/>	<hr/>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Title V Fund</u>	<u>Nutritional Services Incentive Program Fund</u>	<u>Supplemental Senior Center Fund</u>	<u>Audit Fund</u>	<u>Helping Hands Fund</u>	<u>SenioRx Fund</u>	<u>Total</u>
\$ 278,807	\$ 163,300	\$ 487,803	\$ 13,741	\$ -	\$ 123,323	\$ 1,324,763
-	-	-	-	-	1,000	1,000
-	-	-	-	98,090	-	98,090
<u>278,807</u>	<u>163,300</u>	<u>487,803</u>	<u>13,741</u>	<u>98,090</u>	<u>124,323</u>	<u>1,423,853</u>
264,013	-	-	-	-	51,311	458,630
37,765	-	-	-	-	13,405	90,588
1,619	-	-	-	-	3,721	10,197
12,542	-	-	13,741	-	36,229	86,959
820	-	-	-	-	12,616	41,230
2,903	-	-	-	-	15	66,072
-	-	-	-	87,182	-	87,182
-	-	-	-	-	7,026	7,026
<u>319,662</u>	<u>-</u>	<u>-</u>	<u>13,741</u>	<u>87,182</u>	<u>124,323</u>	<u>847,884</u>
<u>(40,855)</u>	<u>163,300</u>	<u>487,803</u>	<u>-</u>	<u>10,908</u>	<u>-</u>	<u>575,969</u>
40,855	-	-	-	-	-	86,042
-	(302,181)	(487,803)	-	-	-	(789,984)
<u>40,855</u>	<u>(302,181)</u>	<u>(487,803)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(703,942)</u>
-	(138,881)	-	-	10,908	-	(127,973)
-	181,490	-	-	2,626	-	184,116
<u>\$ -</u>	<u>\$ 42,609</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,534</u>	<u>\$ -</u>	<u>\$ 56,143</u>

**COMPARATIVE STATEMENT OF CAPITAL ASSETS AND  
CHANGES IN CAPITAL ASSETS**

**Jefferson Council on Aging, Inc.**

For the year ended June 30, 2005

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2005</u>
<b>Capital Assets, at Cost</b>				
Furniture and equipment	\$ 119,700	\$ 20,349	\$ 15,687	\$ 124,362
Vans and auto	<u>308,831</u>	<u>-</u>	<u>-</u>	<u>308,831</u>
Total capital assets	<u>\$ 428,531</u>	<u>\$ 20,349</u>	<u>\$ 15,687</u>	<u>\$ 433,193</u>
<b>Investment in Capital Assets</b>				
General Fund	\$ 217,075	\$ -	\$ 15,687	\$ 201,388
Senior Center	5,002	13,323	-	18,325
Local Funds	204,265	7,026	-	211,291
Fraud & Abuse Grant	<u>2,189</u>	<u>-</u>	<u>-</u>	<u>2,189</u>
Total investment in capital assets	<u>\$ 428,531</u>	<u>\$ 20,349</u>	<u>\$ 15,687</u>	<u>\$ 433,193</u>

**UNITS OF SERVICE****Jefferson Council on Aging, Inc.**

For the years ended June 30, 2005 and 2004

(Unaudited)

	Units	
	2005	2004
<b>Title III B - Supportive Services Fund:</b>		
Homemaker	6,434	5,745
Information and Assistance	6,853	7,625
Legal Assistance	562	524
Personal Care	6,267	6,314
Transportation	35,363	31,823
<b>Title III C-1 - Congregate Meals Fund:</b>		
Congregate Meals	59,130	57,545
Nutrition Education	537	535
<b>Title III C-2 - Home Delivered Meals Fund:</b>		
Home Delivered Meals	243,855	232,612
<b>Title III D - Preventive Health Fund:</b>		
Medication Management	3,617	2,643
Wellness	3,530	3,318
<b>Title III E - National Family Caregiver Program Fund:</b>		
Adult Day Care	-	1
Adult Day Health Care	1,368	812
Individual Counseling	72	32
Information and Assistance	292	467
In-Home Respite	5,122	3,376
Material Aid	1,078	755
Personal Care	-	264
Public Education	41	42

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**



Bourgeois Bennett

**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**

To the Members of the Board of Directors,  
Jefferson Council on Aging, Inc.

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the of the Jefferson Council on Aging, Inc. (the Council), as of and for the year ended June 30, 2005, which collectively comprise the Council's basic financial statement and have issued our report thereon dated November 8, 2005. We conducted our 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 our audit, we considered the Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the Council's financial statements and not to provide an opinion 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 reportable 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 caused by error or fraud in amounts that would be material in relation to the basic 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 operations that we consider to be material weaknesses.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of the Board of Directors, management, the Legislative Auditor for the State of Louisiana, Federal awarding agencies, and pass-through entities 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.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Metairie, Louisiana,  
November 8, 2005.





Bourgeois Bennett

**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Members of the Board of Directors,  
Jefferson Council on Aging, Inc.

**Compliance**

We have audited the compliance of the Jefferson Council on Aging, Inc. (the Council), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major Federal programs for the year ended June 30, 2005. The Council's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of the Council's management. Our responsibility is to express an opinion on the Council's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Council's compliance with those requirements.

In our opinion, the Council complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2005.

### **Internal Control Over Compliance**

The management of the Council is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered the Council's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 noncompliance with applicable requirements of laws, regulations, contracts and grants caused by the error or fraud that would be material in relation to a major Federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, the Legislative Auditor for the State of Louisiana and Federal awarding agencies and pass-through entities 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.

*Bougeois Bennett, L.L.C.*

Certified Public Accountants.

Metairie, Louisiana,  
November 8, 2005.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Jefferson Council on Aging, Inc.**

For the year ended June 30, 2005

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Grant Year Ended	Program or Award Amount	Revenue Recognized	Federal Expenditures
<b>Department of Labor:</b>					
<b>Passed Through the</b>					
<b>Louisiana Governor's Office</b>					
<b>of Elderly Affairs:</b>					
Title V	17.235	06/30/05	\$ 255,876	\$ 255,876	\$ 255,876
<b>Department of Health and Human Services -</b>					
<b>Administration on Aging:</b>					
<b>Passed Through the</b>					
<b>Louisiana Governor's Office</b>					
<b>of Elderly Affairs:</b>					
Title III B - Supportive Services	93.044	06/30/05	230,030	230,030	230,030
Title III C - Area Agency Admin.	93.045	06/30/05	78,864	78,864	78,864
Title III C-1 - Congregate Meals	93.045	06/30/05	213,436	213,436	213,436
Title III C-2 - Home Delivered Meals	93.045	06/30/05	146,713	146,713	146,713
Title III D - Disease Prevention and Health Promotion	93.043	06/30/05	16,707	16,707	16,707
Title III E - National Family Caregiver Support	93.052	06/30/05	101,948	101,948	101,948
Nutrition Services Incentive Program	93.053	06/30/03	18,231	-	18,231
Nutrition Services Incentive Program	93.053	06/30/04	163,259	-	163,259
Nutrition Services Incentive Program	93.053	06/30/05	163,300	163,300	120,691
<b>Passed Through the</b>					
<b>Louisiana Department of Insurance:</b>					
<b>Centers for Medicare and Medicaid</b>					
<b>Services Research, Demonstrations</b>					
<b>and Evaluations</b>					
	93.779	06/30/05	10,000	10,000	10,000
<b>Total Department of Health and Hunan Services - Administration on Aging</b>			<u>1,142,488</u>	<u>960,998</u>	<u>1,099,879</u>
<b>Totals</b>			<u>\$ 1,398,364</u>	<u>\$ 1,216,874</u>	<u>\$ 1,355,755</u>

See notes to schedule of expenditures of federal awards.

**NOTES TO SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS**

**Jefferson Council on Aging, Inc.**

For the year ended June 30, 2005

**Note 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of the Jefferson Council on Aging, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 2 - FINDINGS OF NONCOMPLIANCE**

There were no Federal award findings or questioned costs were noted during the audit of the financial statements for the year ended June 30, 2005.



**Section I - Summary of Auditor's Results (Continued)**

c) Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
93.044	Title III B - Supportive Services
93.045	Title III C - Area Agency Admin.
93.045	Title III C-1 - Congregate Meals
93.045	Title III C-2 - Home Delivered Meals
93.053	Nutrition Services Incentive Program

Dollar threshold used to distinguish  
between Type A and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? X yes \_\_\_ no

**Section II - Financial Statement Findings**

No financial statement findings were noted during the audit of the basic financial statements for the year ended June 30, 2005.

**Section III - Federal Award Findings and Questioned Costs**

No Federal award findings or questioned costs were reported during the audit for the year ended June 30, 2005.

**REPORTS BY MANAGEMENT**

**SCHEDULE OF PRIOR YEAR FINDINGS AND  
QUESTIONED COSTS**

**Jefferson Council on Aging, Inc.**

For the year ended June 30, 2005

**Section I - Internal Control and Compliance Material to the Basic Financial Statements**

*Internal Control*

No material weaknesses were noted during the audit of the basic financial statements for the year ended June 30, 2004.

No reportable conditions were reported during the audit of the basic financial statements for the year ended June 30, 2004.

*Compliance*

No compliance findings material to the basic financial statements were noted during the audit for the year ended June 30, 2004.

**Section II - Internal Control and Compliance Material To Federal Awards**

No findings or questioned costs were reported during the audit for the year ended June 30, 2004.

**Section III - Management Letter**

A management letter was not issued in connection with the audit of the basic financial statements for the year ended June 30, 2004.



## **MANAGEMENT'S CORRECTIVE ACTION PLAN**

### **Jefferson Council on Aging, Inc.**

For the year ended June 30, 2005

#### **Section I - Internal Control and Compliance Material to the Basic Financial Statements**

##### **Internal Control**

No material weaknesses were noted during the audit of the basic financial statements for the year ended June 30, 2005.

No reportable conditions were reported during the audit of the basic financial statements for the year ended June 30, 2005.

##### **Compliance**

No compliance findings material to the basic financial statements were noted during the audit for the year ended June 30, 2005.

#### **Section II - Internal Control and Compliance Material To Federal Awards**

No findings or questioned costs were reported during the audit for the year ended June 30, 2005.

#### **Section III - Management Letter**

A management letter was not issued in connection with the audit of the basic financial statements for the year ended June 30, 2005.