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Financial Report

**East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana**

June 30, 2007

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 3/19/08

**Michael R. Choate & Company, CPAs
2915 S. Sherwood Forest Blvd., Ste B
Baton Rouge, Louisiana 70816**

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June 30, 2007

TABLE OF CONTENTS

Financial Report

East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana

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	<u>Page</u>
1. MANAGEMENT'S DISCUSSION AND ANALYSIS	1
2. INDEPENDENT AUDITOR'S REPORT	8
3. BASIC FINANCIAL STATEMENTS	
GOVERNMENT WIDE FINANCIAL STATEMENTS:	
A. Statement of Net Assets	11
B. Statement of Activities	12
FUND FINANCIAL STATEMENTS:	13
C. Balance Sheet	14
D. Statement of Revenues, Expenditures and Changes in Fund Balances	15
E. Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
F. NOTES TO THE FINANCIAL STATEMENTS	17
4. SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GASB STATEMENT 34:	37
• Budgetary Comparison Schedule – General Fund	38
• Budgetary Comparison Schedule – Title III B Fund	39
• Budgetary Comparison Schedule – Title III C-1 Fund	40
• Budgetary Comparison Schedule – Title III C-2 Fund	41
• Budgetary Comparison Schedule – Title III C-1 AAA	42
• Budgetary Comparison Schedule – Title III D	43
• Budgetary Comparison Schedule – Title III E	44
• Budgetary Comparison Schedule – NSIP	45
• Budgetary Comparison Schedule – Senior Center	46

5.	SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA:	47
	• Schedule of Non-major Special Revenue	48
	• Schedule of General Funds	49
	• Comparative Schedule of General Fixed Assets and Changes in General Fixed Assets	50
	• Schedule of RSVP Activity	51
	• Schedule of Priority Services III B- Grant	52
6.	SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY OMB CIRCULAR A-133 CIRCULAR A-133	53
	• Schedule of Expenditures of Federal Awards	54
7.	REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	55
8.	REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A -133.	57
9.	FINDINGS AND QUESTIONED COSTS	60
10.	EXIT CONFERENCE	63

MANAGEMENT'S DISCUSSION AND ANALYSIS

East Baton Rouge Council on Aging, Inc.

The "Management's Discussion and Analysis" of the East Baton Rouge Council on Aging, Inc.'s (the Council) financial performance presents a narrative overview and analysis of the Council's financial activities for the year ended June 30, 2007. This report highlights the current year's activities, resulting changes, and relevant facts. Please read this report in conjunction with basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS (see condensed statements on page 6)

- The Council's Government Wide total assets exceeded its total liabilities at the close of fiscal year 2007 by \$ 252,003.
- Operating cash was \$ 217,605 at June 30, 2007 compared to \$ 346,373 at June 30, 2006. This is a decrease of \$ 128,768 or 37%.
- **Changes in Revenue 2007 vs 2006**
The East Baton Rouge Council on Aging, Inc. received an increase in senior center funds (state grant) in the amount of \$89,000. This was the first increase in at least five years. The home-delivered meals program received a one-time grant in the amount of \$50,000 (donation, restricted) from Wellcare for an additional "Meals on Wheels" route.
- **Changes in Expenses 2007 vs 2006**
Special events costs increased by \$31,880 due to senior Olympics and senior center trips. Income collected from seniors for the trips was used to offset the related costs. Travel increased \$15,457 due to an increase in mileage rate. Raw food increased \$22,119 due to additional meal site, "Meals on Wheels" route and an increase in raw food costs. Capital outlay decreased \$8,013. Program supplies increased \$18,346 due to senior Olympics and an increase in senior center activities at senior centers.
- The combined decrease in fund balances for the year ended June 30, 2007 is \$ (92,977). This is compared to June 30, 2006 increase of \$ 84,287.
- The Council's General Fund reported a decrease in fund balance of \$ (65,381) compared to an increase of \$ 77,905 for 2006.

OVERVIEW OF THE FINANCIAL STATEMENTS – What's included

This discussion and analysis is intended to serve as an overview to the Council's basic financial statements. The Council's annual report consists of five parts: (1) management's discussion and analysis (this section) (2) basic financial statements (3) required supplementary information, and (4) the optional section that presents combining statements for non-major governmental funds and other supplementary information and (5) various governmental compliance reports and schedules by certified public accountants and management.

The basic financial statements include two kinds of statements that present different views of the Council:

Government-wide Financial Statements

The government-wide financial statements (see Exhibits A and B) are designed to provide readers with a broad overview of the Council's finances, in a manner similar to a private sector business. The **statement of net assets** presents information on all of the Council's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating. The **statement of activities** presents information showing how the Council's net assets change during each fiscal year (revenues less expenditures). All changes in net assets are reported as soon as the financial transaction occurs regardless of the timing of the related cash flows. Thus, revenues and expenditures are reported in this statement this fiscal year even though the resulting cash flow is in future fiscal years. The governmental activity of the Council is health and welfare which is comprised of various programs that include supportive services, nutritional services, utility assistance disease prevention, caregiver support and a multipurpose senior center in East Baton Rouge Parish, Louisiana.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Council are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current year inflows and outflows of cash, as well as on balances of spendable resources available at the end of the fiscal year. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation

to help with this comparison between governmental funds and governmental activities. (Exhibit D and E)

The Council has presented the General Fund, Title III B – Supportive Services Fund, Title III C-1- Congregate Meals Fund, Title III C-2 – Home Delivered Meals Fund, Title III D, Title III E, USDA and Senior Center Fund as major funds. (Exhibit C & D) All non-major governmental funds are presented in one column, titled "Total Non-Major Funds". Combining financial statements of the non-major funds can be found in the Combining Fund Statements that follow the basic financial statements (Page 48).

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted budget (Pages 38 to 46). In addition to these required elements, the Council has a section of supplementary information. The Governor's Office of Elderly Affairs (GOEA) has required the Council to present combining statements that provide details about our non-major governmental funds and details about capital assets and the changes in capital assets. This information will be used by GOEA to verify the accuracy of information submitted to them during the year and to help monitor certain compliance requirements set forth in the grants that it has with the Council (Page 48 - 52).

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. (Page 54)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets serve as a useful indicator of the Council's financial position. As of June 30, 2007, assets exceeded liabilities by \$ 252,003 as compared to prior year of \$ 330,675.

Special Revenue Fund Budgetary Highlights

The budget is amended during the course of the fiscal year to comply with requirements of Governor's Office of Elderly Affairs.

The budget was amended one time during the year. The primary reasons for amending the budget were to comply with the Council's grants for GOEA due to unanticipated changes in revenue and expenditures. The major differences between the original Special Revenue Fund budget and the final amended budget were as follows:

Revenues

- GOEA grants increased \$ 84,375
- Fundraising decreased (50,000)

Expenditures

- Personnel and fringe increased \$ 66,125
- Services increased 16,122
- Supplies increased 31,275
- Travel increased 19,275
- Other expenses increased 32,245
- Meals increased 13,000

Required supplementary information budgetary comparison schedules were prepared for the General Fund and each major Special Revenue Fund (Page 41 to 49).

CAPITAL ASSETS

The Council's investment in capital assets for its governmental activities as of June 30, 2007, amounts to \$ 118,674 (net accumulated depreciation). This investment in capital assets includes office furniture, fixtures, vehicles, machinery and equipment (see table below)

	<u>2007</u>	<u>2006</u>
Leasehold improvements	\$ 114,119	\$ 104,869
Office furniture, fixtures and equipment	305,778	281,562
Vehicles	<u>78,164</u>	<u>78,164</u>
Sub Total	498,061	464,595
Less accumulated depreciation	<u>(379,387)</u>	<u>(346,218)</u>
Totals	<u>\$ 118,674</u>	<u>\$ 118,377</u>

Additional information on the Council's capital assets can be found in the Note A and E, Exhibit F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Council receives most of its funding from federal, state and local agencies. Because of this, the source of income for the Council is consistent. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council, and therefore, those revenues are not fixed. There have been no significant changes to the funding levels or terms of the grants and contracts. The Governor's Office of Elderly Affairs (GOEA) has approved the Council's budget for fiscal year 2007-2008. There are no plans to add any significant programs for next fiscal year.

The Executive Director and Board of Directors considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- The East Baton Rouge Council on Aging, Inc. will receive approximately \$200,000 in additional revenue for the City Parish of Baton Rouge for expenditures.
- Each year the East Baton Rouge Council on Aging, Inc. experiences increases in fuel costs and other inflationary items without additional funding to offset these increases.
- Actual expenditures from previous fiscal year in relation to expected needs in the current year.
- Consideration of funding to be received from GOEA and City of Baton Rouge.
- Salaries and benefits are based on the number of employees needed to perform necessary services and the related benefits.
- Travel rates in accordance with state travel regulations.
- Services the Council will provide along with estimated service costs.
- Estimate of operation supplies needed to perform necessary services.
- Detail plan of equipment needed to be purchased.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Council's finances for all interested in the Council's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Board of Directors
Johnny Dykes
East Baton Rouge Council on Aging, Inc.
5790 Florida Blvd.
Baton Rouge, Louisiana.70806-4244
Phone (225) 923-8000

Condensed Statements of Net Assets

	June 30,		Dollar Change
	2007	2006	
Cash	\$ 217,605	\$ 346,373	\$ (128,768)
Other current assets	134,337	127,948	6,389
Capital assets, net	118,674	118,377	297
Total assets	\$ 470,616	\$ 592,698	\$ (122,082)
Accounts payable	54,854	73,675	(18,821)
Other liabilities	163,759	188,348	(24,589)
Total liabilities	218,613	262,023	(43,410)
Net Assets:			
Invested in capital assets, net	118,674	118,377	297
Restricted	4,423	32,019	(27,596)
Unrestricted	128,906	180,279	(51,373)
Total net assets (deficit)	\$ 252,003	\$ 330,675	\$ (78,672)

Governmental Activities

Governmental activities decreased the Council net assets by \$ (78,672). Key elements of this decrease are as follows:

Condensed Changes in Net Assets

	June 30,		Dollar Change	Total Percent Change
	2007	2006		
Revenues:				
Program revenues:				
Operating grants and contributions	2,066,027	1,901,437	164,590	8.6%
General revenues:				
Grants and contributions not restricted	840,318	851,713	(11,395)	(1.3%)
Miscellaneous	-	-	-	0
Total revenues	2,906,345	2,753,150	153,195	5.5%
Expenses:				
Health and welfare	2,985,017	2,851,673	333,344	12.6%
Total expenses	2,985,017	2,851,673	333,344	12.6%
Increase (decrease) in net assets	(78,672)	101,477	(180,149)	
Net assets beginning of year	330,675	229,198	101,477	
Net assets end of year	\$ 252,003	\$ 330,675	\$ (78,672)	

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Council's governmental funds is to provide information on current year inflows, outflows, and balances of spendable cash and other resources. Such information is useful in assessing the Council's cash flow requirements. In particular, unrestricted fund balance at year end may serve as a useful measure of a government's net resources available for spending next fiscal year. As of the end of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$ 166,211, a decrease of \$ (92,977) in comparison with the prior year. An unreserved fund balance of \$ 161,788 is available for spending at the Council's discretion.

The General Fund is the main operating fund of the Council. At the end of the current fiscal year, unreserved fund balance of the general fund was \$ 161,788 while total fund balance reached \$ 166,211 (Exhibit C). The fund balance of the Council's General Fund decreased by \$ (65,381) during the current fiscal year. (Exhibit D)

Other major funds, including Title III B – Supportive Services Fund and Title III C-2 – Home Delivered Meals Fund and Title III C-1 Congregate Meals had a no change in fund balances. These funds are reimbursed by federal and state grants. Expenditures that are not covered by the grants are covered by transfers from the General Fund.



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Independent Auditor's Report

**East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana, USA**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Baton Rouge Council on Aging, Inc. as of and for the year ended June 30, 2007, which collectively comprise the Council's financial statements as listed in the table of contents. These financial statements are the responsibility of the East Baton Rouge Council on Aging'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 East Baton Rouge Council on Aging, Inc., as of June 30, 2007, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying required supplementary information, such as "Management's Discussion and Analysis" and "Budgetary Comparison Information" are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2007, on our consideration of East Baton Rouge Council on Aging, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the East Baton Rouge Council on Aging's financial statements. The accompanying supplemental schedule of expenditures of federal awards on page 54 is presented for purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Also, the accompanying supplementary information on pages 38 to 46, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary information in the "introductory section", have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Michael R Choate & Co.
Michael R. Choate & Company CPAs

December 14, 2007

GOVERNMENT WIDE FINANCIAL STATEMENTS

GOVERNMENT WIDE STATEMENT OF NET ASSETS

**EAST BATON ROUGE COUNCIL ON AGING
BATON ROUGE, LOUISIANA**

June 30, 2007

	<u>Governmental Activities</u>
Assets	
Cash	\$ 217,605
Contract receivables	40,627
Other Receivables	37,950
Prepaid Expense	41,240
Inventory	9,692
Deposits	4,828
Capital assets, net of accumulated depreciation	<u>118,674</u>
 Total Assets	 <u>\$ 470,816</u>
 Liabilities	
Accounts payable	54,854
Accrued payroll and taxes	53,348
Capital lease obligations	1,057
Accrued compensated absences	31,825
Custodial account	<u>77,529</u>
Total Liabilities	<u>218,613</u>
 Net Assets	
Invested in Capital Assets	118,674
Restricted for:	
Utility Assistance	4,423
Unrestricted	<u>128,906</u>
 Total Net Assets	 <u>\$ 252,003</u>

The accompanying notes are an integral part of this statement.

**GOVERNMENT WIDE STATEMENT OF ACTIVITIES
EAST BATON ROUGE COUNCIL ON AGING
BATON ROUGE, LOUISIANA**

For the year ended June 30, 2007

Functions / Programs	Program Revenues				Net (Expense) Revenue and Increases (Decreases) in Net Assets	
	Direct Expenses	Indirect Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities						
Health, Welfare & Social Services						
Supportive Services:	\$ 388,281	\$ 175,832	\$ -	\$ 286,184	\$ -	\$ (287,929)
Personal Care	-	-	-	-	-	-
Other Services	-	-	-	-	-	-
Homemaker	-	-	-	-	-	-
Information and Assistance	-	-	-	-	-	-
Legal Assistance	-	-	-	-	-	-
Outreach	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Nutrition Services:						
Congregate Meals	335,829	198,180	-	419,204	-	(114,605)
Home Delivered Meals	428,822	116,288	-	464,013	-	(81,097)
Utility Assistance	254,333	3,778	-	221,054	-	(37,055)
Disease Prevention and Health Promotion	39,360	17,878	-	14,149	-	(42,890)
National Family Caregiver Support	85,237	37,350	-	102,420	-	(20,167)
Multipurpose Senior Centers	100,989	-	-	274,590	-	174,191
Senior Activities	345,037	97,213	132,041	67,957	-	(242,252)
Public Relations	237,727	37,765	82,980	1,475	-	(191,027)
Administration	760,252	(684,083)	-	20,800	-	(55,369)
Total governmental activities	\$ 2,985,017	\$ -	\$ 216,031	\$ 1,871,796	\$ -	\$ (898,190)

General Revenues:

City of Baton Rouge Grant

Grants and contributions not restricted to specific programs

661,075
158,443

Increase (Decrease) in net assets:
Net assets - beginning of the year
Net assets - end of the year

(78,872)
330,875
\$ 252,003

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

EXHIBIT C

Balance Sheet
 Governmental Funds
 East Baton Rouge Council on Aging, Inc.
 June 30, 2007

General Fund	Title III C-1						Total Non Major Funds	Total
	AAA	Title III B	Title III C-1	Title III C-2	Title III - D	Title III - E		
Cash	\$ 138,229	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,376	\$ 217,605
Receivable - GOEA	25,000	-	-	-	-	15,627	-	40,627
Other receivables	37,950	-	-	-	-	-	-	37,950
Prepaid expenses	41,240	-	-	-	-	-	-	41,240
Inventory	9,692	-	-	-	-	-	-	9,692
Deposits	4,828	-	-	-	-	-	-	4,828
Total Assets	\$ 256,939	\$ -	\$ -	\$ -	\$ -	\$ 15,627	\$ 79,376	\$ 351,942
Liabilities and Fund Balance								
Liabilities								
Accounts Payable	\$ 54,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,854
Accrued payroll and taxes	53,348	-	-	-	-	-	-	53,348
Custodial account	-	-	-	-	-	-	-	-
Due to/from other funds	(13,051)	-	-	-	-	15,627	-	77,529
Total Liabilities	95,151	-	-	-	-	15,627	-	(2,276)
Fund Balances								
Unreserved/Undesignated:								
General Fund	161,788	-	-	-	-	-	-	161,788
Special Revenue Fund	-	-	-	-	-	-	4,423	4,423
Total Fund Balances	161,788	-	-	-	-	-	4,423	166,211
Total Liabilities and Fund Balances	\$ 256,939	\$ -	\$ -	\$ -	\$ -	\$ 15,627	\$ -	\$ 79,376

Amounts reported for governmental activities in the statement of net assets are different because:
 Composition absences are not paid for out of current financial resources and therefore are not reported funds
 Capital assets used in governmental activities are not resources therefore are not reported in the funds
 Capital lease obligations are not paid out of current financial resources and therefore are not reported funds
 Net assets of Governmental Activities

(31,825)
 118,674
(1,057)
\$ 252,003

The accompanying notes are an integral part of this statement.

EXHIBIT D

EAST BATON ROUGE COUNCIL ON AGING, INC.
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007

	General Fund	Title III 1.A.A.	Title III C-	Title III - B	Title III C-1	Title III C-2	Title III - D	Title III - E	N.S.I.P.	Senior Center	Total Non Major Funds	Total
Revenue												
Intergovernmental:												
City of Baton Rouge	\$ 661,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 661,075
Office of Elderly Affairs	89,530	87,537	286,164	241,204	360,719	14,149	102,420	98,104	274,560	80,603	1,834,990	
Corporation for National and Community Service	-	-	-	-	-	-	-	-	-	-	55,967	55,967
Unrestricted Public Support	8,606	-	-	-	-	-	-	-	-	-	9,606	9,606
Restricted Public Support	11,484	-	-	50,045	-	-	-	-	-	-	1,814	83,353
Program Service Fees:												
Participant Contributions	1,475	-	-	41,411	4,197	-	-	-	-	-	-	47,083
Program Income	54,822	-	-	-	-	-	-	-	-	-	-	54,822
Senior Olympics	12,226	-	-	-	-	-	-	-	-	-	-	12,226
Miscellaneous:												
Platinum Record Ad Sales	69,231	-	-	-	-	-	-	-	-	-	-	69,231
Golf tourney	13,759	-	-	-	-	-	-	-	-	-	-	13,759
Crafts	1,305	-	-	-	-	-	-	-	-	-	-	1,305
Senior Olympics Sponsorship	21,487	-	-	-	-	-	-	-	-	-	-	21,487
Other	42,369	-	-	-	-	-	-	-	-	-	-	42,369
In-Kind Contributions	56,548	-	-	51,914	8,420	15,772	75,000	219,240	281,639	327,000	327,000	
	<u>1,044,769</u>	<u>87,537</u>	<u>366,899</u>	<u>321,226</u>	<u>486,875</u>	<u>20,869</u>	<u>116,162</u>	<u>98,104</u>	<u>349,660</u>	<u>357,624</u>	<u>3,233,345</u>	
Expenditures												
Current:												
Salaries and Wages	239,017	49,818	394,211	241,767	255,251	38,630	81,812	79,043	1,433,072	66,923	1,433,072	
Fringe	38,703	7,872	69,633	40,967	40,321	4,822	20,820	16,866	267,435	7,841	267,435	
Travel	24,925	589	20,173	1,914	35,396	295	7,078	2,668	89,036	2,668	89,036	
Operating Services	123,242	21,581	38,952	38,583	37,709	3,598	7,801	4,814	284,818	10,888	284,818	
Operating Supplies	55,266	2,425	9,817	12,972	11,068	8,018	1,533	56	104,481	3,228	104,481	
Other Costs	94,278	9,452	33,207	11,600	12,276	1,866	3,943	-	39,888	39,888	39,888	
Meals	11,752	-	-	96,409	153,091	-	-	-	246,837	246,837	246,837	
Utility Assistance	-	-	-	-	-	-	-	-	59,307	59,307	59,307	
Sub Grantee	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	33,466	-	-	-	-	-	-	-	-	-	-	33,466
Debt Service:												
Principals Retirement	7,430	-	-	-	-	-	-	-	7,430	-	-	7,430
Interest	620	-	-	-	-	-	-	-	620	-	-	620
In-Kind Services and Facilities	56,548	-	82,735	39,611	51,914	6,420	15,772	75,000	327,000	-	327,000	
	<u>685,245</u>	<u>87,537</u>	<u>956,928</u>	<u>484,883</u>	<u>697,024</u>	<u>83,449</u>	<u>138,369</u>	<u>176,369</u>	<u>437,628</u>	<u>3,326,322</u>	<u>3,326,322</u>	
Excess (deficiency) of Revenue over Expenditures	359,514	-	(287,929)	(163,657)	(130,149)	(42,860)	(20,167)	98,104	(80,004)	(92,977)	(92,977)	
Other Financing Sources (Uses)												
Operating Transfers In	344,747	-	287,929	163,657	130,149	42,860	20,167	-	52,408	1,041,937	1,041,937	
Operating Transfers Out	(769,642)	-	-	-	-	-	-	(86,104)	(174,191)	(1,041,937)	(1,041,937)	
	<u>(424,895)</u>	<u>-</u>	<u>287,929</u>	<u>163,657</u>	<u>130,149</u>	<u>42,860</u>	<u>20,167</u>	<u>(86,104)</u>	<u>(174,191)</u>	<u>52,408</u>	<u>52,408</u>	
Excess (deficiency) of Revenue and Other Sources Over Expenditures and Other Uses	(66,381)	-	-	-	-	-	-	-	(27,596)	-	(92,977)	
Fund Balances												
Beginning of Year	227,169	-	-	-	-	-	-	-	32,019	259,188	259,188	
End of Year	<u>\$ 161,788</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,423</u>	<u>\$ -</u>	<u>\$ 166,211</u>	

The accompanying notes are an integral part of this statement.

**Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana**

Year Ended June 30, 2007

Net (Decrease) in fund balances – total governmental funds \$ (92,977)

Governmental funds report **capital outlays** as expenditures. However, in the **Statement of Activities** the cost of these assets is allocated over their estimated useful lives and reported as **depreciation expense**. This is the amount by which capital outlay (\$33,466) exceeded depreciation (\$33,170) in the current period.

297

Some expenses reported in the **Statement of Activities** do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Capital lease obligations (principle)

7,430

Compensated absences

6,578

Decrease in net assets of governmental activities

\$ (78,672)

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities and Reporting Entity

In 1964, the State of Louisiana passed Act 456, which authorized the charter of voluntary councils on aging for the welfare of the aging people in their respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The East Baton Rouge Council on Aging, Inc. is a non-profit, quasi-public corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the Council with most of its revenues. Other entities that provide the Council with federal, state, or local funds may impose some additional requirements.

The primary function of the East Baton Rouge Council on Aging, Inc. is to improve the quality of life for the parish's elderly and to provide services to the elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Some of the services provided by the Council include congregate and home delivered meals, health care services, nutritional education, information and referral, legal assistance, homemaker services, operating senior centers, and outreach. A Board of Directors, consisting of eleven voluntary members who serve three-year terms, governs the Council.

Before January 1, 1992, the Council operated as part of City of Baton Rouge. Effective January 1, 1992, the Council began operating as a stand-alone entity, responsible for managing all of its affairs. The Council is not classified as a component unit of another primary government nor does it have any component units. It is determined to be a separate special-purpose governmental entity and presents its financial statements in a form appropriate to that classification.

Presentation

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governmental entities as prescribed by the GASB, and the applicable requirements set forth in Audits of State and Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection VIII – Annual Financial Reporting, accounting manual for Governor’s Office of Elderly Affairs contractors; and , the Louisiana Governmental Audit Guide.

Management’s 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Income Tax Status

The Council, a quasi-governmental entity, is exempt from federal income taxes under section 501(C) (3) of the Internal Revenue Code.

Fund Accounting

The Council uses funds to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain functions or activities.

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

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Types

Governmental funds are those through which the functions of the Council are financed. The general activities of the Council, including the collection and disbursement of specific or legally restricted monies, the acquisition of general fixed assets, and the servicing of general long-term obligations are accounted for within the various governmental fund types as follows:

General Fund – The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. These discretionary funds are accounted for and reported according to the source (federal, state, or local) from which they are derived. In addition, the servicing of general long-term debt is accounted for in the General Fund because unrestricted resources are used to pay for the liabilities incurred by this fund.

The General Fund is considered a Major Fund of the Council.

The following programs comprise the Council's General Fund:

Local

Revenues such as donations from the general public, funding from the local City-Parish government, income from various fund raising activities, and interest earned on invested idle funds have been recorded in the local program of the general fund. Expenses related to these activities as well as expenses not chargeable to specific programs are recorded in the local program. Local program funds are also transferred to other funds and programs to supplement their funding when needed. Most of the Council's fixed assets are acquired with local program funds.

PCOA

PCOA funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council may use these "Act 735" funds at its discretion provided the program benefits people who are at least 60 years old. During fiscal year 2005, all PCOA funds were used to supplement Title III programs.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Health Screening

The Council provides health-screening services and flu shots to enable senior citizens to detect health problems and prevent disease.

Fan and Blanket Fund

The Council occasionally collects donations for fans and blankets and distributes these items to senior citizens.

Senior Activities

The Senior Activities fund is used to account for revenues and costs associated with senior activities. These activities include, but are not limited to craft classes held at senior centers, a consignment store that enables senior citizens to market their crafts, and sponsorship of the annual Senior Olympics.

Paid Meals

Paid Meals is a program whereby guest meals are sold at C-1 congregate meal sites, and C-2 frozen meals are delivered to the homes of persons who pay the full cost of the meal. Any revenues in excess of expenditures to operate this program are transferred, as needed, to the Title III C-1 and C-2 programs to subsidize the costs of providing such meals.

Public Relations

The Council uses its public relations program to inform and educate the community about its services and programs. The Council's newspaper, "The Platinum Record", is published on a bi-monthly basis to homes and other locations in East Baton Rouge Parish to inform readers about the Council's activities and provide information to help elderly people.

The Council hosts an annual golf tourney as a fund raiser and public relations event.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2007

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Senior Net Learning Center

The Council operates a Senior Net Learning Center where computer classes are held for the purposes of training and enhancing the computer skills of people 50 years of age and older.

Major Special Revenue Funds

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

A fund is considered "major" if it is the primary operating fund of the Council or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category type.

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

Title III C Area Agency Administration – (AAA) Fund

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

**EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS**

June 30, 2007

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Title III-B Supportive Services Fund

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

GOEA has established the criteria for defining a qualifying unit of service for each Title III program. Specific supportive social services, along with the number of units provided during the fiscal year, are as follows:

	<u>Units</u>
• Information and Assistance	9888
• Homemaker	5458
• Outreach	14886
• Wellness	4682
• Medication Management	15467

Title III C-1 Fund

The Title III C-1 Fund is used to account for funds that are used to provide nutritional, congregate meals to the elderly in strategically located meal sites in East Baton Rouge Parish. During the year, the Council served approximately 68,489 congregate meals to people eligible to participate in this program.

Title III C-2 Fund

Title III C-2 Fund is used to account for funds that are used to provide nutritional, home-delivered meals to home bound older persons. During the year, the Council served approximately 91,771 home delivered meals to people eligible to participate in this program.

Title III D Fund

The Title III D Fund is used to account for funds that provide disease prevention and health promotion services. During the year, the Council provided wellness activities designed to support and/or improve the older persons mental and/or physical well being including exercise/physical fitness classes and health screening sessions. The Council also provided medication management services, which included screening and educating older persons to prevent incorrect medications usage and adverse drug reactions.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Title III E Fund

The Title III E Fund is used to account for funds, which provide various caregiver support services. This includes public education, information and assistance, support groups, in-home respite care, and personal care services.

Nutritional Supplement Incentive Program (N.S.I.P.)

The N.S.I.P. Fund is used to account for the administration of Nutrition Program for the Elderly funds provided by the United States Department of Agriculture through the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

Senior Center Fund

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program provides funding for community service centers where older persons can receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The Council operates four senior centers in East Baton Rouge Parish, Louisiana.

Non Major Special Revenue Funds

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.

Supplemental Senior Center Fund

The Supplemental Senior Center Fund is used to account for the additional money appropriated by the Louisiana Legislature to supplement the primary state grant for senior centers. These funds are "passed through" the Governor's Office of Elderly Affairs.

The supplemental senior center grant received by the Council from the Legislature specified that \$ 59,307 be passed through to Serenity 67, subject to the oversight of the Council. Serenity 67 is a nonprofit 501(c)(3) community service organization designed to assist the citizens of Louisiana House of Representatives District 67 and the surrounding areas to experience a more positive community life.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retired Senior Volunteers Program (RSVP) Fund

The Retired Senior Volunteer Program Fund is used to account for federal funds provided directly by The Corporation for National and Community Service (CNCS) and state funds that are provided directly by the Governor's Office of Elderly Affairs. These funds are used to pay travel and other out-of-pocket expenses incurred by senior citizens, age 55 and over, who have volunteered their time to assist non-profit and governmental entities in East Baton Rouge Parish, Louisiana.

Utility Assistance Fund

The Utility Assistance Fund is used to account for Project Care, which is sponsored by Entergy, a local utility company. Entergy collects contributions from service customers and employees and remits the funds directly to the Council. These funds are used to provide financial assistance to the elderly for the payment of their utility bills.

Fiduciary Fund – Fiduciary Funds are used to account for assets held by the Council in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Fiduciary funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency fund is used to account for assets held by the Council as an agent for individuals and other organizations.

Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased or acquired with an original cost of at least \$1,000 and that have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Assets. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For capital assets recorded in the Government-Wide Financial Statements, depreciation is computed and recorded using the straight-line method for the assets estimated useful life. The estimated useful lives of the various classes of depreciable capital assets are as follows:

Building Improvements	20 years
Equipment	5 – 7 years
Vehicles	5 years
Computers	3 years

Salvage values have not been estimated by management when calculating how much of an asset's cost needs to be depreciated except for vehicles. For that category or capital assets, management has used 10% of the vehicles initial cost as a salvage value estimate.

Depreciation is not computed or recorded on capital assets for purposes of the Fund Financial Statements.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds, including the General and Special Revenue Funds, are accounted for using a current financial resources measurement focus. With this measurement focus, generally only current assets and current liabilities 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 wherein revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for the following:

- (1) Principle and interest on long-term debt are recorded when due, and
- (2) Claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2007

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

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

Transfers and Interfund Loans

Advances between funds, which are not expected to be repaid, are accounted for as transfers. In those cases where repayment is expected, the advances are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

Budget Policy

The Council used the following procedures to derive the budgetary data which has been presented in these financial statements:

The Governor's Office of Elderly Affairs (GOEA) notifies the Council each year as to the funding levels for each program's grant award. GOEA awards funds using the same fiscal year as the Council, except for the RSVP program award, which is on a calendar year basis.

The City of Baton Rouge notifies the Council each year as to the amount included in the City-Parish budget for the Council. Because the City of Baton Rouge operates on a calendar year, its fiscal year will overlap the Council's fiscal year. Accordingly, the Council's management can predict with reasonable accuracy how much money the Council will have available for the first six months of its fiscal year. Management estimates the City's allocation for the last six months of the Council's fiscal year until the City notifies the Council of the exact allocation. Management will then incorporate the actual allocation amount into the Council's amended budget. Funds received from the City of Baton Rouge are unrestricted as to use by the Council on Aging.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2007

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Council may also obtain grants from agencies other than GOEA and the City of Baton Rouge, 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 management 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 review and adopts the budget before May 31 of the current year for the next year.

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

All budgetary appropriations for grants awarded the Council by GOEA lapse at the end of each fiscal year (June 30), except for N.S.I.P. Cash in lieu of Commodities funding and the grant for the RSVP program. Both the grant award from GOEA and the grant award from The Corporation for National and Community Service for the RSVP program lapse at December 31. Occasionally, the Council will receive a special project grant that may operate on a period different from the Council's normal fiscal year and, therefore, have a specified date where the budgetary appropriation will lapse.

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

Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments, which must also be adopted by the Board of Directors and approved by GOEA.

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

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2007

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Expenditures cannot legally exceed appropriations on an individual fund level.

The primary budget requirement under the RSVP program's grant from The Corporation for National and Community Services is that the ratio of volunteer expenses to total program expenses must equal or exceed the ratio in the approved budget.

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

Compensated Absences

Full time employees earn vacation leave, beginning with the first full month of employment, at the rate of one day pay per month. The earning rate for vacation leave increases with each year of employment up to 1.75 days per month for employees with ten or more years of service.

Beginning June 15, 1992, no more than 5 days of vacation leave may be carried over after September 30th of each year. Prior to June 15, 1992, any amount of earned and unused vacation leave could be carried over with no limitation on its use. Payment of any vested vacation leave is made by the Council upon termination of an employee for any reason.

GASB Statement No. 16 requires the accrual for vacation leave to the extent it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. The Council recorded a liability as of June 30, 2007 for the accrued vacation for each employee at the employee's current rate of pay. Standards require that applicable provisions for retirement, social security, and Medicare taxes be included in the accrued compensations. Accrued vacation benefits will be paid from future year's resources and will be recorded as fund expenditures in the various governmental funds in the year in which they are paid or become due on demand to terminated employees.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2007

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 16 requires the accrual for sick leave if it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employee's termination or retirement. Since the accumulated sick leave lapses upon termination, no amount has been accrued.

The management of the Council has estimated that the portion of its liability for accrued compensated absences to be paid from expendable available financial resources is not material. Consequently, the total amount of accrued compensation is reported as a long term debt.

Restricted Assets

Restricted assets are those that have primarily been acquired through donations or grants whereby the donor or grantor has placed a restriction on how the funds can be used by the Council. Restricted assets are offset by a corresponding reservation of the Council's fund balance.

Reservation and Designations of Fund Balances

The Council "reserves" portions of its fund balances that are not available for expenditure because resources have already been expended but the related asset not consumed, or a legal restriction has been placed on certain assets which make them only available to meet future obligations. Designated allocations of fund balances result when the Council's management intends to expend certain resources in a designated manner.

Prepaid Expenses

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

Inventory

Inventories consists principally of food and kitchen supplies that have not been consumed as of year-end and of resource materials for Senior Net classes. Such inventories are valued at the lower cost or market under the first-in, first-out method. Amounts reported as inventories are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
 June 30, 2007

B: CASH

The Council maintains a consolidated bank account that is available for use by all funds. The Council's deposits at June 30, 2007 are categorized below to give an indication of the level of risk assumed by the Council at year-end. Category 1 includes deposits that are insured or collateralized with securities held by the Council or by its agent in the Council's name. Category 2 includes deposits that are uncollateralized and any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the entity's name.

	<u>Bank</u>	<u>Category</u>			<u>Carrying</u>
	<u>Balance</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>Value</u>
Total Deposits	\$ 217,605	\$ 141,885	\$ 75,720	\$ -	\$ 217,605

All amounts shown in Category 3 are uncollateralized. However, state law does require collateralization and when such collateral is in the form of securities pledged by the financial institution but not held in the Council's name there is a statutory requirement that the custodial bank sell the pledged security within ten days of notification that the depository bank has failed to pay deposited funds on demand.

C: RECEIVABLES ON FUNDING CONTRACTS

Contracts receivable at June 30, 2007, due from the Governor's Office of Elderly Affairs were as follows:

PCOA	\$ 25,000
N.S.I.P.	<u>15,627</u>
	<u>\$ 40,627</u>

D: CHANGES IN LONG-TERM DEBT

The following is a summary of transactions relating to the Council's long-term debt during the year.

	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>
	<u>6/30/2006</u>			<u>6/30/2007</u>
Accrued compensated absences	\$ 38,403	\$ -	\$ 6,578	\$ 31,825
Capital lease obligations	8,487	-	7,430	1,057
	<u>\$ 46,890</u>	<u>\$ -</u>	<u>\$ 14,008</u>	<u>\$ 32,882</u>

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
 June 30, 2007

E: FIXED ASSETS

A summary of changes to fixed assets for the year ended June 30, 2007, is as follows:

	Balance June 30, <u>2006</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2007</u>
Vehicles	\$ 78,164	\$ -	\$ -	\$ 78,164
Office furniture and equipment	112,450	22,936	-	135,386
Computer software	44,703	1,280	-	45,983
Nutrition equipment	62,045	-	-	62,045
Leasehold improvements	104,869	9,250	-	114,119
Capital lease equipment	<u>62,364</u>	<u>-</u>	<u>-</u>	<u>62,364</u>
	<u>\$ 484,595</u>	<u>\$ 33,466</u>	<u>\$ -</u>	<u>\$ 498,061</u>

F: LEASE COMMITMENTS

Capital Leases

At June 30, 2007, the Council had the following capital leases:

<u>Nature of Lease</u>	<u>Monthly Payment</u>	<u>Number of Months</u>	<u>Beginning Date</u>	<u>Imputed Interest</u>	<u>Balance Due</u>
Computer Equipment	\$ 525	60	10/1/2002	13.09%	\$ 1,057

Future minimum lease payments, by year and in the aggregate, are as follows:

<u>Year Ended June 30.</u>	<u>Amount</u>
2008	<u>1,057</u>
Total minimum lease payments remaining	1,057
Less: Imputed interest	-
Present value of net minimum lease payments at June 30, 2007	<u>\$ 1,057</u>

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2007

F: LEASE COMMITMENTS (Continued)

Operating Leases

On September 1, 1992, the Council entered into a lease with the City of Baton Rouge for the building that houses the Council's main office at 5790 Florida Boulevard, Baton Rouge, Louisiana. The terms of this lease require annual payments of \$1 for ten years. The Council is responsible for utilities, normal repairs, and maintenance, and liability, fire and casualty insurance.

G: IN-KIND DONATIONS

The Council received \$ 327,000 in various in-kind contributions during the year which have been valued at their estimated fair market value and presented in this report as revenue. Related expenditures, equal to the in-kind revenues, have also been presented, thereby producing no effect on net revenue.

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

The Council's main office facility was furnished by the City of Baton Rouge for \$1.00 per year. Maintenance workers are also included	\$ 215,452
Other/meal site facilities and health screening sites are furnished to the Council without charge	<u>111,548</u>
Total	<u>\$ 327,000</u>

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2007

G: IN-KIND DONATIONS (Continued)

The Council receives additional support through services contributed by volunteers that does not meet the criteria for recognition under generally accepted accounting principles because the Council would not hire additional paid employees to perform these services if volunteers were not available.

H: DEFERRED COMPENSATION

The Council offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all Council employees and permits them to defer a portion of their salary until future years. Participation in the plan is at the employee's option.

The deferred compensation cannot be withdrawn by participating employees until termination, retirement, death or unforeseeable emergency. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. In accordance with GASB statement No. 32, the Council does not present the investment in deferred compensation and the offsetting deposits and escrow accounts as assets and liabilities on its combined balance sheet. At June 30, 2007, the plan assets totaled \$ 113,928.

I: BOARD OF DIRECTOR'S COMPENSATION

Service on the Board of Directors is voluntary and, therefore, members are not compensated in the form of per diem. Members of the Board are reimbursed for travel expenses.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2007

J: INTERFUND TRANSFERS

Transfers in and out are listed by fund type for the year ended June 30, 2007:

<u>Transfers In</u>	<u>Transfers Out</u>				<u>Total Transfers In</u>
	<u>PCOA</u>	<u>NSIP</u>	<u>Senior Center</u>	<u>General Fund</u>	
<u>Special Revenue Fund:</u>					
Title III B	\$ 89,530	\$ -	\$174,191	\$ 24,208	\$ 287,929
Title III D	-	-	-	42,880	42,880
Title III E	-	-	-	20,167	20,167
Title III C-1	-	49,052	-	114,605	163,657
Title III C-2	-	49,052	-	81,097	130,149
RSVP	-	-	-	36,305	36,305
Utility	-	-	-	-	-
Assistance	-	-	-	9,459	9,459
Audit	-	-	-	6,644	6,644
<u>General Fund:</u>					
Health Screening	-	-	-	80,051	80,051
Senior Activities	-	-	-	92,501	92,501
Paid Meals	-	-	-	10,976	10,976
Public Relations	-	-	-	137,126	137,126
Senior Net	-	-	-	24,093	24,093
Total Transfers Out	\$ 89,530	\$ 98,104	\$174,191	\$680,112	\$ 1,041,937

K: EMPLOYEE BENEFITS

The Council maintains a cafeteria plan allowable under IRC Section 125 for its eligible full-time employees. Employees may elect to reduce compensation to pay for personal health, dental and/or disability insurance.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

L: ECONOMIC DEPENDENCY

The Council receives the majority of its revenue from grants administered by the Louisiana Governor's Office of Elderly Affairs and quarterly allocations from the City of Baton Rouge, Louisiana. The grant amounts are appropriated each year by the federal, state, and local governments. If significant budget cuts are made at the federal, state and/or local level, the Council's funding could be reduced significantly and have an adverse impact on its operations. However, management is not aware of any actions by Council funding sources that will adversely affect operations in the next fiscal year.

M: FEDERALLY ASSISTED PROGRAMS – COMPLIANCE CONTINGENCIES

Federal and State assistance programs represent an important source of funding for the Council. Major programs are audited annually in accordance with the "Single Audit Act". Prior audits have not resulted in any significant disallowed costs; however, grantor agencies may conduct or require further examinations. Based upon prior experience, Council management believes that further examination would not result in any significant disallowed costs.

During the year ended June 30, 2006, a Non Major Program, Retired Senior Volunteers Program (RSVP) was audited for the year 2005 and resulted in questioned costs of \$ 30,527.87. The Council is appealing the audit findings based on prior audit precedents and possible calculation errors.

N: RELATED PARTY TRANSACTIONS

The Council is the income and principal beneficiary of The Oscar Lafleur Charitable Trust. There were no transactions with the trust during the current year ended June 30, 2007. The Trust has assets of \$ 171,697 as of June 30, 2007.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

O: LINE OF CREDIT

The Council established a line of credit with a local financial institution on May 1, 2002, in the amount of \$125,000. The balance at June 30, 2007 was \$0. The credit line drawings on the line bear interest at a rate that varies with a designated prime rate "index". The credit line drawings are secured by the Council's depository accounts held in the financial institution.

P: UNCERTAINTIES: Pending Litigation

During the year ended June 30, 2007 a terminated employee of the Council filed a sexual harassment lawsuit naming the Council and its Executive Director as defendants. No monetary damages have been determined. The Council is aggressively defending the case. The matter is being litigated by the attorneys of the Council and its Insurance Company. The case has just begun and it is too early to determine the outcome. In any event, insurance coverage is available. No loss contingency has been recorded as of June 30, 2007.

Q: SUBSEQUENT EVENTS

Pending Litigation

In August 2007 a second terminated employee filed a sexual harassment complaint with the Equal Employment Opportunity Commission. No suit has been filed. Defense of this matter has been submitted to the Council's insurer.

Serenity 67 Program

The Council was notified in August, 2007 that a sub-grantee was prohibited from receiving state funds until financial reporting requirements were met. The Council has held all funds for Fiscal Year 2008 pending state approval.

SUPPLEMENTARY FINANCIAL INFORMATION

Required by GASB 34

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND**

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2007**

REVENUES	BUDGETS		ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
	ORIGINAL	FINAL		
Intergovernmental:				
City of Baton Rouge	\$ 861,050	\$ 862,975	\$ 861,075	(1,900)
Office of Elderly Affairs	64,530	64,530	89,530	25,000
Unrestricted Public Support	16,195	4,800	9,606	4,808
Restricted Public Support	5,000	10,160	11,494	1,334
Program Service Fees:				
Participant contributions	2,750	2,750	1,475	(1,275)
Program Income	40,350	41,750	54,622	12,872
Crafts	750	275	1,305	1,030
Senior Olympics	16,800	7,500	12,228	4,728
Miscellaneous:				
Platinum Record Ad Sales	75,000	75,000	69,231	(5,769)
Golf Tourney	-	-	13,759	13,759
Senior Olympic Sponsorship	25,000	33,750	21,487	(12,263)
Other / Fund Raising	52,200	23,000	42,399	19,399
In-Kind Contributions	56,548	56,548	58,548	-
	<u>1,015,973</u>	<u>983,038</u>	<u>1,044,759</u>	<u>61,721</u>
Expenditures				
Current:				
Salaries and Wages	248,852	227,780	239,017	(11,257)
Fringe	38,686	39,323	38,703	620
Travel	9,166	17,628	24,925	(7,297)
Operating Services	89,934	121,741	123,242	(1,501)
Operating Supplies	19,326	38,797	55,286	(16,469)
Other Costs	48,708	63,808	94,276	(30,468)
Meals	7,642	9,558	11,752	(2,194)
Capital Outlay	35,000	35,000	33,466	1,534
Debt Service:				
Principle Retirement	8,800	8,800	7,430	1,370
Interest	-	-	620	(620)
In-Kind Services and Facilities	56,548	56,548	58,548	-
	<u>562,662</u>	<u>618,963</u>	<u>685,245</u>	<u>(66,282)</u>
Excess (deficiency) of Revenue over Expenditures	453,311	364,075	359,514	(4,561)
Other Financing Sources (Uses)				
Operating Transfers In	256,597	299,987	344,747	44,760
Operating Transfers Out	(693,290)	(781,313)	(789,642)	11,671
Excess (deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 16,618	\$ (117,251)	\$ (65,381)	\$ 51,870

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND - TITLE III-B**

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2007**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Office of Elderly Affairs	\$ 286,164	\$ 286,164	\$ 286,164	\$ -
Restricted Public Support	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Participant Contributions	-	-	-	-
Contributions in Kind	<u>82,735</u>	<u>82,735</u>	<u>82,735</u>	<u>-</u>
Total Revenues	<u>368,899</u>	<u>368,899</u>	<u>368,899</u>	<u>-</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	82,735	82,735	82,735	-
Salaries and Wages	440,971	434,207	384,211	49,996
Fringe	92,701	94,070	89,633	4,437
Travel	18,589	20,551	20,173	378
Operating Services	56,739	44,571	36,952	7,819
Operating Supplies	9,718	9,985	9,917	68
Other	36,456	37,163	33,207	3,956
Meals	-	-	-	-
Total Expenditures	<u>737,889</u>	<u>723,282</u>	<u>656,828</u>	<u>66,454</u>
Excess of Revenues over (under) Expenditures	(368,990)	(354,383)	(287,929)	66,454
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	342,286	335,209	287,929	(47,280)
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (26,704)</u>	<u>\$ (19,174)</u>	<u>\$ -</u>	<u>\$19,174</u>

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND - TITLE III C-1**

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2007**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Office of Elderly Affairs	\$ 241,204	\$ 241,204	\$ 241,204	\$ -
NSIP - commodity cash	49,200	52,300	49,052	(3,248)
Restricted Public Support	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Participant Contributions	40,000	40,000	41,411	1,411
Contributions in Kind	38,611	38,611	38,611	-
<u>Total Revenues</u>	<u>369,015</u>	<u>372,115</u>	<u>370,278</u>	<u>(1,837)</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	38,611	38,611	38,611	-
Salaries and Wages	202,180	202,824	241,767	(38,943)
Fringe	36,345	39,752	40,967	(1,215)
Travel	696	986	1,914	(928)
Operating Services	43,453	37,198	38,563	(1,365)
Operating Supplies	8,073	10,669	12,972	(2,303)
Other	10,000	10,518	11,680	(1,162)
Meals	100,380	97,496	98,409	(913)
<u>Total Expenditures</u>	<u>439,738</u>	<u>438,054</u>	<u>484,883</u>	<u>(46,829)</u>
Excess of Revenues over (under) Expenditures	(70,723)	(65,939)	(114,605)	(48,666)
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	82,382	76,186	114,605	38,419
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 11,659	\$ 10,247	\$ -	(\$10,247)

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND - TITLE III C-2**

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2007**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Office of Elderly Affairs	\$ 360,719	\$ 360,719	\$ 360,719	\$ -
NSIP - commodity cash	49,200	52,300	49,052	(3,248)
Restricted Public Support	50,000	50,000	50,045	45
Other:				
Miscellaneous	-	-	-	-
Participant Contributions	2,700	5,000	4,197	(803)
Contributions in Kind	51,914	51,914	51,914	-
Total Revenues	<u>514,533</u>	<u>519,933</u>	<u>515,927</u>	<u>(4,006)</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	51,914	51,914	51,914	-
Salaries and Wages	221,399	272,706	255,251	17,455
Fringe	35,854	44,741	40,321	4,420
Travel	33,954	38,770	35,396	3,374
Operating Services	39,202	41,991	37,709	4,282
Operating Supplies	8,299	9,591	11,066	(1,475)
Other	10,951	14,142	12,276	1,866
Meals	141,979	155,946	153,091	2,855
Total Expenditures	<u>543,552</u>	<u>629,801</u>	<u>597,024</u>	<u>32,777</u>
Excess of Revenues over (under) Expenditures	(29,019)	(109,868)	(81,097)	28,771
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	44,654	110,970	81,097	(29,873)
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 15,635</u>	<u>\$ 1,102</u>	<u>\$ -</u>	<u>(\$1,102)</u>

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND - TITLE III C-1 AAA
EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2007**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Office of Elderly Affairs	\$ 87,537	\$ 87,537	\$ 87,537	\$ -
Restricted Public Support	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Participant Contributions	-	-	-	-
Contributions in Kind	-	-	-	-
Total Revenues	<u>87,537</u>	<u>87,537</u>	<u>87,537</u>	<u>-</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	-	-	-	-
Salaries and Wages	46,618	47,232	46,618	614
Fringe	7,872	7,758	7,872	(114)
Travel	589	855	589	266
Operating Services	21,581	18,947	21,581	(2,634)
Operating Supplies	2,425	2,873	2,425	448
Other	8,452	9,872	8,452	1,420
Meals	-	-	-	-
Total Expenditures	<u>87,537</u>	<u>87,537</u>	<u>87,537</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND -TITLE III-D**

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2007**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Office of Elderly Affairs	\$ 14,149	\$ 14,149	\$ 14,149	\$ -
Restricted Public Support	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Participant Contributions	-	-	-	-
Contributions in Kind	6,420	6,420	6,420	-
Total Revenues	<u>20,569</u>	<u>20,569</u>	<u>20,569</u>	<u>-</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	6,420	6,420	6,420	
Salaries and Wages	33,658	33,726	38,630	(4,904)
Fringe	4,416	4,447	4,622	(175)
Travel	291	152	295	(143)
Operating Services	4,251	3,357	3,598	(241)
Operating Supplies	3,503	7,509	8,018	(509)
Other	1,885	1,749	1,866	(117)
Meals	-	-	-	-
Total Expenditures	<u>54,404</u>	<u>57,360</u>	<u>63,449</u>	<u>(6,089)</u>
Excess of Revenues over (under) Expenditures	(33,835)	(36,791)	(42,880)	(6,089)
<u>OTHER FINANCING SOURCES USES</u>				
Operating transfers in	30,432	50,507	42,880	(7,627)
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (3,403)</u>	<u>\$ 13,716</u>	<u>\$ -</u>	<u>(\$13,716)</u>

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND - TITLE III-E**

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2007**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Office of Elderly Affairs	\$ 102,420	\$ 102,420	\$ 102,420	\$ -
Restricted Public Support	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Participant Contributions	-	-	-	-
Contributions in Kind	15,772	15,772	15,772	-
<u>Total Revenues</u>	<u>118,192</u>	<u>118,192</u>	<u>118,192</u>	<u>-</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	15,772	15,772	15,772	-
Salaries and Wages	93,364	82,851	81,612	1,239
Fringe	24,212	22,344	20,820	1,524
Travel	6,622	7,322	7,078	244
Operating Services	11,791	8,247	7,601	646
Operating Supplies	1,325	1,376	1,533	(157)
Other	4,618	4,297	3,943	354
Meals	-	-	-	-
<u>Total Expenditures</u>	<u>157,704</u>	<u>142,209</u>	<u>138,359</u>	<u>3,850</u>
Excess of Revenues over (under) Expenditures	(39,512)	(24,017)	(20,167)	3,850
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	20,504	29,457	20,167	(9,290)
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (19,008)	\$ 5,440	\$ -	(\$5,440)

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND -N.S.I.P.**

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2007**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Office of Elderly Affairs	\$ 98,400	\$ 104,600	\$ 98,104	\$ (6,496)
Restricted Public Support	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Participant Contributions	-	-	-	-
Contributions in Kind	-	-	-	-
<u>Total Revenues</u>	<u>98,400</u>	<u>104,600</u>	<u>98,104</u>	<u>(6,496)</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	-	-	-	-
Salaries and Wages	-	-	-	-
Fringe	-	-	-	-
Travel	-	-	-	-
Operating Services	-	-	-	-
Operating Supplies	-	-	-	-
Other	-	-	-	-
Meals	-	-	-	-
<u>Total Expenditures</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	98,400	104,600	98,104	(6,496)
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	-	-	-	-
Operating transfers out	(98,400)	(104,600)	(98,104)	6,496
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND - SENIOR CENTER**

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2007**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Office of Elderly Affairs	\$ 190,185	\$ 274,560	\$ 274,560	\$ -
Restricted Public Support	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Participant Contributions	-	-	-	-
Contributions in Kind	75,000	75,000	75,000	-
<u>Total Revenues</u>	<u>265,185</u>	<u>349,560</u>	<u>349,560</u>	<u>-</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	75,000	75,000	75,000	-
Salaries and Wages	68,909	77,456	78,043	(1,587)
Fringe	19,305	16,651	16,656	(5)
Travel	-	-	-	-
Operating Services	750	1,900	4,614	(2,714)
Operating Supplies	-	75	56	-
Other	-	-	-	-
Meals	-	-	-	-
<u>Total Expenditures</u>	<u>163,964</u>	<u>171,082</u>	<u>175,369</u>	<u>(4,287)</u>
Excess of Revenues over (under) Expenditures	101,221	178,478	174,191	(4,287)
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	-	-	-	-
Operating transfers out	(97,703)	(178,478)	(174,191)	4,287
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 3,518	\$ -	\$ -	\$ -

SUPPLEMENTARY FINANCIAL INFORMATION

Required by: Governor's Office of Elderly Affairs

EAST BATON ROUGE COUNCIL ON AGING, INC.
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND - NON MAJOR FUNDS
For Year Ended June 30, 2007

	<u>Audit</u>	<u>Sup Senior Center</u>	<u>RSVP</u>	<u>Utility Assistance</u>	<u>Total Non Major Funds</u>
Revenue					
Intergovernmental:					
City of Baton Rouge	\$ -	\$ -	\$ -	\$ -	\$ -
Office of Elderly Affairs	9,306	59,307	11,990	-	80,603
Corporation for National and Community Service	-	-	56,967	-	56,967
Unrestricted Public Support	-	-	-	-	-
Restricted Public Support	-	-	-	1,814	1,814
Miscellaneous:					
General Public via Entergy In-Kind Contributions	-	-	-	219,240	219,240
	<u>9,306</u>	<u>59,307</u>	<u>67,957</u>	<u>221,064</u>	<u>367,824</u>
Expenditures					
Current:					
Salaries and Wages	-	-	58,673	8,250	66,923
Fringe	-	-	6,192	1,649	7,841
Travel	-	-	2,603	63	2,666
Operating Services	-	-	10,190	768	10,958
Operating Supplies	-	-	3,085	143	3,228
Other Costs	-	-	23,519	399	39,868
Capital Outlay	15,950	-	-	-	-
Utility Assistance	-	-	-	246,837	246,837
Sub Grantee	-	59,307	-	-	59,307
In-Kind Services and Facilities	-	-	-	-	-
	<u>15,950</u>	<u>59,307</u>	<u>104,262</u>	<u>258,109</u>	<u>437,626</u>
Excess (deficiency) of Revenue over Expenditures	(6,644)	-	(36,305)	(37,065)	(80,004)
Other Financing Sources (Uses)					
Operating Transfers In	6,644	-	38,305	9,459	52,408
Operating Transfers Out	-	-	-	-	-
	<u>6,644</u>	<u>-</u>	<u>38,305</u>	<u>9,459</u>	<u>52,408</u>
Excess (deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	-	-	(27,596)	(27,596)
Fund Balances					
Beginning of Year	-	-	-	32,019	32,019
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,423</u>	<u>\$ 4,423</u>

EAST BATON ROUGE COUNCIL ON AGING, INC.
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUNDS
 For the Year Ended June 30, 2007

	Humana Meal	FEMA	Local	PCOA	Health Screening	Fan and Blanket Fund	Senior Activities	Paid Meals Program	Public Relations	Senior Net	Total
Revenue											
Intergovernmental:											
City of Baton Rouge											
Office of Elderly Affairs				89,530							\$ 661,075
Interest Income			9,606								69,530
Unrestricted Public Support											9,606
Restricted Public Support						5,661	4,602	1,231			11,494
FEMA Grant											-
Program Service Fees:											
Participant Contributions									1,475		1,475
Program Income	13,170						1,473	36,534		3,445	54,622
Crafts			1,185						120		1,305
Senior Olympics									12,228		12,228
Miscellaneous:											
Platinum Record Ad Sales									69,231		69,231
Senior Olympics Sponsorship									21,487		21,487
Other			5,438				36,945	16			42,399
Golf tourney									13,789		13,789
In-Kind Contributions			56,548								56,548
	13,170		733,882	89,530		5,661	43,020	37,781	116,300	3,445	1,044,759
Expenditures											
Current:											
Salaries and Wages	2,760		3,811		58,868		30,766	19,510	103,127	20,155	238,017
Fringe	211		401		8,007		8,053	3,080	16,903	2,038	36,703
Travel	6,000		4,118		2,513		5,014	2,717	4,409	154	24,925
Operating Services			17,800		6,197		9,739	2,866	84,733	1,877	123,242
Operating Supplies			1,169		1,801		19,424	850	29,882	2,340	55,266
Other Costs			5,709		2,845	6,020	35,348	7,942	36,438	974	94,276
Meals								11,752			11,752
Capital Outlay			33,466								33,466
Debt Service:											
Principle Retirement			7,430								7,430
Interest			620								620
In-Kind Services and Facilities			56,548								56,548
	8,971		131,072		80,051	5,020	106,344	48,757	275,492	27,558	685,245
Excess (deficiency) of Revenue over Expenditures	4,199		602,780	89,530	(60,051)	641	(65,324)	(10,976)	(187,192)	(24,093)	389,514
Other Financing Sources (Uses)											
Operating Transfers In			(880,112)	(89,530)			92,501	10,876	137,126	24,093	344,747
Operating Transfers Out			(880,112)	(89,530)			92,501	10,876	137,126	24,093	(789,642)
Excess (deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	4,199		(77,332)			641	27,177		(20,066)		(65,381)
Fund Balances											
Beginning of Year		(4,356)	224,160			3,458	7,407		(3,500)		227,169
End of Year	\$ 4,199	\$ (4,356)	\$ 146,828	\$	\$	\$ 4,099	\$ 34,584	\$	\$ (23,566)	\$	\$ 161,786

EAST BATON ROUGE COUNCIL ON AGING, INC.
COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS
AND CHANGES IN GENERAL FIXED ASSETS
For the Year Ended June 30, 2007

	Balance June 30, 2006	Reclass- ifications	Additions	Deletions	Balance June 30, 2007
GENERAL FIXED ASSETS					
Vehicles	\$ 78,164	\$ -	\$ -	\$ -	\$ 78,164
Office furniture and equipment	112,450	-	22,936	-	135,386
Computer software	44,703	-	1,280	-	45,983
Nutrition equipment	62,045	-	-	-	62,045
Leasehold improvements	104,869	-	9,250	-	114,119
Capital lease equipment	<u>62,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,364</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 464,595</u>	<u>\$ -</u>	<u>\$ 33,466</u>	<u>\$ -</u>	<u>\$ 498,061</u>
INVESTMENT IN GENERAL FIXED ASSETS					
Property acquired with funds from:					
General fund	\$ 457,977	\$ -	\$ 33,466	\$ -	\$ 491,443
RSVP	1,060	-	-	-	1,060
PCOA	3,558	-	-	-	3,558
Donations from the general public	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	<u>\$ 464,595</u>	<u>\$ -</u>	<u>\$ 33,466</u>	<u>\$ -</u>	<u>\$ 498,061</u>

EAST BATON ROUGE COUNCIL ON AGING, INC.
SCHEDULE OF RSVP ACTIVITY
For the Grant Year Ended December 31, 2006

	<u>Actual</u>	<u>Actual %</u>	<u>Budget</u>	<u>Budget %</u>
Volunteer support	\$ 41,844	67%	\$ -	0%
Volunteer expense	<u>20,481</u>	33%	-	0%
Total costs incurred	\$ 62,325		<u>\$ -</u>	
Cost paid with local match	<u>13,610</u>			
Costs remaining to be paid with The Corporation for National and Community Service and GOEA funds	<u>\$ 48,715</u>			
Costs paid for with GOEA (State) funds received	\$ 11,906			
Costs paid with funds from The Corporation for National and Community Service	<u>36,809</u>			
Total	<u>\$ 48,715</u>			

EAST BATON ROUGE COUNCIL ON AGING, INC.
SCHEDULE OF PRIORITY SERVICES
TITLE III-B – GRANT FOR SUPPORTIVE SERVICES
For the Year Ended June 30, 2007

	<u>Amount</u>	<u>Total</u>	<u>% of GOEA Grant</u>
Access (30%):			
Case management	\$ 52,586		
Information & assistance	142,509		
Outreach	91,735		
Total access expenses		286,830	<u>126.82%</u>
In-Home (15%):			
Homemaker	177,486		
Other Priority Services	69,270		
Personal care	<u>25,862</u>		
Total in-home expenses		272,618	<u>120.54%</u>
Legal (5%):			
Legal assistance		14,645	<u>6.48%</u>
Non-priority services		<u>-</u>	
Total III-B – supportive services expenditures		574,093	
Less: Other public support			
Transfers In		<u>(287,929)</u>	
Title III-B – supportive services grant		286,164	
Less: Transfers of contract allotments			
State homemaker		(60,000)	
State transportation		<u>-</u>	
Original grant award net of additional state homemaker and transportation funds and transfers of contract allotments		<u>\$ 226,164</u>	

SUPPLEMENTARY FINANCIAL INFORMATION

REQUIRED BY: OMB CIRCULAR A-133

EAST BATON ROUGE COUNCIL ON AGING, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2007

Federal Grantor/Pass Through Grantors/Program Title	Federal CFDA Number	Grant Year End	Program or Award Amount	Revenue Recognized	Total Federal Expenditures
U.S. Department of Health and Human Services – Administration on Aging					
Passed Through the Louisiana Governor's Office of Elderly Affairs: Special Programs for the Aging:					
Title III, Part B Supportive Services	93.044	6/30/2007	\$ 190,088	\$ 190,088	\$ 190,088
Title III, Part C – Area Agency Administration	93.045	6/30/2007	65,653	65,653	65,653
Title III, Part C-1 Nutritional Services Congregate Meals	93.045	6/30/2007	184,067	184,067	184,067
Title III, Part C-2 Nutritional Services Home Delivered Meals	93.045	6/30/2007	125,757	125,757	125,757
Total Title III, Part C			<u>375,477</u>	<u>375,477</u>	<u>375,477</u>
Title III, Part D Disease Prevention and Health Promotion Services	93.043	6/30/2007	14,149	14,149	14,149
Title III, Part E Family Caregiver Program	93.052	6/30/2007	76,815	76,815	76,815
Total for U.S. Department Of Health and Human Services			<u>90,964</u>	<u>90,964</u>	<u>90,964</u>
U.S. Department of Agriculture					
Passed Through the Louisiana Governor's Office of Elderly Affairs: NSIP- Nutritional Supplement Incentive Program					
	93.063	6/30/2007	98,104	98,104	98,104
The Corporation for National and Community Service					
Direct Programs:					
Retired Senior Volunteer Program (RSVP)	94.002	12/31/2006	60,132	21,977	21,977
Retired Senior Volunteer Program (RSVP)	94.002	6/30/2007	60,132	33,990	33,990
			<u>120,264</u>	<u>55,967</u>	<u>55,967</u>
			<u>\$ 874,897</u>	<u>\$ 810,600</u>	<u>\$ 810,600</u>

Note: This schedule is prepared using modified accrual basis of accounting as contemplated under accounting principles generally accepted in the United States of America and which is the same basis of accounting applied on the general purpose financial statement.



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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

**East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana, USA**

We have audited the financial statements of East Baton Rouge Council on Aging, Inc. as of and for the year ended June 30, 2007, and have issued our report thereon dated December 14, 2007. 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 East Baton Rouge Council on Aging Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the East Baton Rouge Council on Aging, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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

control. We consider the deficiencies described in the accompanying schedule of findings and responses on page 60 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Council's internal control.


Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether East Baton Rouge Council on Aging, Inc.'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 or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses.

East Baton Rouge Council on Aging, Inc.'s response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit East Baton Rouge Council on Aging, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the Council, and is not intended to be and should not be used by anyone other than these specified parties.


Michael R. Choate & Company
Certified Public Accountants

December 14, 2007



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Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

**East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana, USA**

Compliance

We have audited the compliance of East Baton Rouge Council on Aging, Inc. 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, 2007. 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 East Baton Rouge Council on Aging, Inc.'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 of East Baton Rouge Council on Aging, Inc.'s compliance with those requirements.

In our opinion, East Baton Rouge Council on Aging, Inc. 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, 2007. However, the results of our auditing procedures disclosed no instances of noncompliance with

those requirements, which are required to be reported in accordance with OMB Circular A-133.

Internal Control over Compliance

The management of East Baton Rouge Council on Aging, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered East Baton Rouge Council on Aging, Inc.'s internal control over compliance with the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. *A significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items C:1 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

East Baton Rouge Council on Aging, Inc.'s response to the findings identified in our audit are described in the accompanying schedule of findings and questioned

costs. We did not audit East Baton Rouge Council on Aging, Inc.'s response and, accordingly, we express not opinion on it.

This report is intended solely for the information and use of management, others within the Council, 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.

Michael R. Choate & Co.

Michael R. Choate & Company
Certified Public Accountants

December 14, 2007

EAST BATON ROUGE COUNCIL ON AGING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007

A: SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of East Baton Rouge Council on Aging, Inc.
2. There were six significant deficiencies relating to the audit of the general purpose financial statements in the "Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*." None of the significant deficiencies were deemed to be a material weakness. See Part B of this schedule.
3. No instances of noncompliance material to the general purpose financial statements of East Baton Rouge Council on Aging, Inc. were disclosed during the audit, and are referred in the "Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*."
4. There was one "significant deficiency" relating to the audit of the major federal award programs noted, in the "Report on Compliance with Requirements Applicable to Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133. No Deficiencies are reported as material weaknesses.
5. The auditor's report on compliance for the major federal award programs for East Baton Rouge Council on Aging, Inc. expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for East Baton Rouge Council on Aging, Inc. are reported in Part C of this Schedule.
7. No management letter was issued in connection with this engagement.
8. The program tested as a major program are as follows:
 - U.S. Department of Health and Human Services
 - Special Programs for the Aging:
 - Title III-B – Supportive Services; CFDA #93.044
 - Title III-C – Nutritional Services; CFDA # 93.045
 - Title III-D – Disease Prevention and Health Promotion Services; CFDA #93.043
 - Title III-E – Caregiver Support CFDA #93.052
9. The threshold for distinguishing Types A and B programs was \$300,000.
10. East Baton Rouge Council on Aging, Inc. was determined not to be a low-risk auditee.

B: FINDING – FINANCIAL STATEMENT AUDIT

Six significant deficiencies, no material weaknesses noted.

1. **During our audit it was noted that the Retired Senior Volunteer Program (RSVP) was audited by the National & Community Services Corporation for the year ended December 31, 2005. That audit resulted in questioned costs of \$30,527.87 because of documentation concerns in payroll, travel and indirect cost allocations. The audit findings are being appealed by the Council. It is recommended that the Council improve and update the internal supervision of this program to ensure that all reporting and documentation requirements are in compliance and to minimize the risk of questioned costs. This is a repeat finding.**
2. **Accrual basis financial statement should include Grant receivables**

During the audit, it was noted in the Board minutes that monthly financial statements were not reliable because certain grants had not yet been received. These grants should be recorded as "receivables" so that the Board can get a clearer picture of monthly financial results.
3. **Budgets should be amended earlier in the year to avoid reporting budget deficits.**

The June 30, 2007 budget was amended in April 2007 and reported a deficit of \$106,818. The Council should improve its reporting process so that budgets can be more timely amended and deficits can be addressed or reduced sooner.
4. **Complete transition of Oscar Laffeur Trust.**

Board minutes reflect that the Trust should change its name and use the Trust for the benefit of the elderly of East Baton Rouge Parish.
5. **Internal control over payroll should be improved.**

During the audit it was noted that a sample of employees received pay raises but the signed approval form was not on file. Verbal approval was obtained from the Executive Director by the auditors.

It was also noted during the audit that monitoring of employee attendance is lacking. A master control sheet could be used to allow employees to "check in" and "check out" from the office. A supervisor's permission should be obtained before an employee leaves the office.
6. **Maintain current filing system.**

It was noted during the audit that accounting data was filed months late and original documents were being worked on at home. A good system of internal control requires all data to be filed timely and accurately and original documents should remain on the premises.

**C: FINDINGS AND QUESTIONED COSTS- MAJOR FEDERAL AWARD PROGRAM
AUDIT**

U.S. Department of Health and Human Services

Special Programs for the Aging:

Title III-B – Supportive Services; CFDA #93.044

Title III-C – Nutritional Services; CFDA # 93.045

Title III-D – Disease Prevention and Health Promotion Services; CFDA #93.043

Title III-E – Caregiver Support; CFDA #93.052

Material Weaknesses – None

1. Significant Deficiencies

The Governor's Office of Elderly Affairs requires the Council on Aging to report units of service each month. (The Agency Summary Report). Audit tests revealed that the units of service in the "SAMS" report is not reconciled to the underlying summary count sheets. Two months were tested for the Title C-1 and Title C-2 meals program. Instances of over reporting and under reporting were observed. The variance was less than 1% for C-1 Congregate Meals but 4-5% variance for the C-2 Home Delivered Meals. It is recommended that the monthly Agency Summary Report be approved in writing and new employees be properly trained in documentation process.

EXIT CONFERENCE

**East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana**

June 30, 2007

The exit conference was held on December 14, 2007, the last day of field work of the audit. Those in attendance were Michael R. Choate, Certified Public Accountant; and Johnny Dykes, Executive Director of the Council and Brenda Green, CPA. The observations and findings of the audit were discussed.



EAST BATON ROUGE COUNCIL ON THE AGING, INC.
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Memo

To: Mike Choate, CPA
From: Johnny Dykes, Executive Director *JD*
Date: 2/20/2008
Re: Management Response to Findings

- 1.) Supervision of the RSVP program has been improved and maintained since the findings in previous audits. The RSVP was audited on August 17 and 18, 2004 and was given a "clean" report. Then the program was audited again for the grant period January 1, 2005 thru December 31, 2005 concerning the misanalysis. We are still waiting on a decision regarding the appeal of the audit findings on the questioned costs of \$30,527.87. The EBRCOA was awarded the grant for FY08-09 for the RSVP program.
- 2.) The grants in question are grants received once or twice a year and are not "receivables". Also, we receive funds under a contract for the NSIP grant, which is supposed to be distributed based on 1/12 of the contract. These funds are not distributed in a timely manner. The EBRCOA is not able to determine how much are when we will receive these funds.
- 3.) The budgets are amended on a timely basis when necessary. Each month the board of directors reviews the financial statements, which includes a comparison of budget to actual. The deficits, if any, are addressed at this time. Efforts are made by management throughout the year to alleviate any deficits as they occur.
- 4.) Completion of the ongoing Oscar LaFleur Trust is a priority of the EBRCOA. The board of directors has approved the finalization of this matter with an attorney. The administrator of the trust and attorney will attend the March 2008 meeting of the board of the directors. Hopefully, an agreement can be reached at this time.
- 5.) Internal control over payroll will be improved by insuring that all necessary paperwork is filed in employee's personnel folders. The referenced paperwork was on-file at the payroll service utilized by the EBRCOA. The approval forms were signed and processed in a timely manner. Monitoring of employee attendance is monitored by the employee's supervisor and by sign-in and sign-out procedures for employees.
- 6.) The accounting department experienced a loss of employees for a significant part of the audit year. As a result, the accounting data was not filed timely and work was brought home to help alleviate this problem. Currently, the accounting department is almost up-to-date and original documents will no longer leave the premises.

An Equal Opportunity Employer



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Memo

To: Mike Choate, CPA
From: Johnny Dykes, Executive Director JD
Date: 12/21/2007
Re: Management Response to Significant Deficiencies

New personnel in the MIS department and new equipment including a new server have been the underlying reasons for the deficiencies noted during the audit. During the audit year, the SAMS system underwent two conversions which could have comprised the integrity of the data. The EBRCOA also had significant rain damage to this equipment because of a leaky roof and has been unable to get the roof repaired. The EBRCOA will definitely fix the personnel and/or physical problems associated with the deficiencies to correct the problem. We would like GOEA assistance with our personnel with this problem to insure this does not happen again in the future.