

**Financial Report**

**The Tangipahoa Voluntary Council on Aging  
Amite, Louisiana**

**June 30, 2018**

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June 30, 2018

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## Independent Auditor's Report

The Board of Directors of the  
Tangipahoa Voluntary Council on Aging, Inc.  
Amite, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tangipahoa Voluntary Council on Aging, Inc., Amite, Louisiana, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Tangipahoa Voluntary Council on Aging, Inc.'s basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *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 Tangipahoa Voluntary Council on Aging, Inc. as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 20 and budgetary comparison information on pages 61 through 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tangipahoa Voluntary Council on Aging Inc.'s basic financial statements. The accompanying Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds; the Comparative Schedule of Capital Assets and Changes in Capital Assets; and the Schedule of Compensation, Benefits, and Other Payments to

the Council's Executive Director are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds; the Comparative Schedule of Capital Assets and Changes in Capital Assets; and the Schedule of Compensation, Benefits, and Other Payments to the Council's Executive Director are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds; the Comparative Schedule of Capital Assets and Changes in Capital Assets; and the Schedule of Compensation, Benefits, and Other Payments to the Council's Executive Director are fairly stated in all material respects in relation to the financial statements as a whole.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2018, on our consideration of the Tangipahoa Voluntary Council on Aging Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tangipahoa Voluntary Council on Aging, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tangipahoa Voluntary Council on Aging Inc.'s internal control over financial reporting and compliance.

*James Lambert Riggs*  
*J & Associates*

James, Lambert, Riggs and Associates, Inc.  
Hammond, Louisiana

December 14, 2018

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**The Tangipahoa Voluntary Council on Aging**  
**June 30, 2018**

The following discussion and analysis of The Tangipahoa Voluntary Council on Aging's (the Council) financial performance provides management's overview and analysis of the Council's financial performance and activities for the year ended June 30, 2018. This document focuses on the current year's activities, resulting changes, and currently known facts. This document should be read in conjunction with basic financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The Council showed a decrease in overall net position of \$25,313 or about 8%.
- Net investment in capital assets decreased by \$10,139 or about 12%.
- Administrative expenses decreased this year by \$18,266 or about 6.5%.
- The unassigned fund balance for the Council's General Fund was \$174,555 at year-end, which is a \$21,774 decrease from prior year.
- Fund revenues decreased by \$50,228 or about 4.6%.
- Fund expenditures decreased by \$71,490 or about 6%.
- No deficit fund balances existed at year-end.
- The Council had no long-term debt at year-end.

**How to Use This Annual Report**

The Council's annual financial report consists of six main parts:

- (1) Management's discussion and analysis (this section)
- (2) The basic financial statements (government-wide, fund and footnotes)
- (3) Supplementary financial information required by GASB 34
- (4) Supplementary financial information for GOEA analysis
- (5) Supplementary financial information required by Louisiana law, and
- (6) Auditor reports.

Government-wide financial statements are comprised of the Statement of Net Position (Exhibit A) and the Statement of Activities (Exhibit B). These financial statements provide information about the activities of the Council as a whole and present a long-term view of the Council's finances. In contrast, the fund financial statements, which consist of the Fund Balance Sheet (Exhibit C) and the Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit D), tell how services were financed in the short-term, as well as what remains for future spending for governmental funds. Fund financial statements also report the Council's operations in more detail than the government-wide financial statements by providing information about the Council's

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

most significant funds.

The Council's auditor has provided assurance in his independent auditor's report, located immediately before this Management's Discussion and Analysis (MD & A), that the Basic Financial Statements are fairly stated. The auditor also mentions in his report that he has performed limited procedures about Management's Discussion and Analysis and certain budgetary comparison schedules required by accounting principles generally accepted in the United States of America (specifically, GASB Statement 34) in this reporting package but did not audit them and therefore expresses no opinion on them. Finally, the auditor states in his report that he has applied certain audit procedures to the supplementary financial information presented for purposes of additional analysis by the Governor's Office of Elderly Affairs (GOEA) and a supplementary schedule of compensation, benefits, and other payments made to the Council's executive director as required by Louisiana law, and that this information is fairly stated in all material respects in relation to the financial statements as a whole.

On page 72 of this reporting package is a second auditor's report. This report is on the Council's compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*. In this report the auditor did not identify any deficiencies in internal control over financial reporting that he considered to be material weaknesses. In addition, the auditor stated that his tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### BASIC FINANCIAL STATEMENTS

The basic financial statements consist of the government-wide financial statements and fund financial statements, which present different views of the Council, along with notes to the financial statements.

#### Government-Wide Financial Statements

The government-wide financial statements are prepared using the accrual basis of accounting and are designed to provide readers with a broad overview of the Council's finances in a manner similar to a private sector business. When using these financial statements the user should consider whether the Council's finances, as a whole, have improved or deteriorated since last year. The government-wide financial statements (Exhibits A and B) report the Council's net position and changes in them. However, to assess the overall financial position of the Council, the user must also consider non-financial factors, such as the condition of the Council's capital assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The Statement of Net Position (Exhibit A) presents all assets and liabilities and the Council's financial position at year end, whereas the Statement of Activities (Exhibit B) presents information showing how the Council's net position changed during this fiscal year as a result of the Council's activities.

In this statement all changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will affect cash flows in future fiscal periods.

All of the Council's significant activities are reported in the Statement of Activities, including a Health, Welfare, and Social Services function and an Administration function. The Health, Welfare, and Social Services function is comprised of five primary programs that include supportive social services, nutritional services, family caregiver support, senior citizen activities, and nonelderly public transportation. Subprogram activities are also presented, in some cases, to help the reader analyze the Council's operations in more detail.

All activities of the Council are considered to be governmental activities. A governmental activity is usually one where the Council uses money it receives from governmental grants and contracts along with donations from the general public, to provide services at no charge to the general public, or a segment of the general public, such as the elderly. In other words, the people benefiting from the service are not required to pay for what they receive. If the Council charged fees to cover all or most of the cost of providing a service, that activity might be classified as a business-type activity. The Council does not have any business-type activities.

### 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 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 near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Accordingly, the governmental funds use the modified accrual basis of accounting. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The governmental fund balance sheet presents a reconciliation between net position of governmental activities and fund balances of the

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

governmental funds. A reconciliation between the change in fund balances for the governmental funds and the change in net position for the governmental activities is presented in Exhibit E.

The Council uses two types of governmental funds: (1) general fund and (2) special revenue funds.

The general fund is used to account for all financial resources except those that are required to be accounted for in another fund. The Council's general fund receives general revenue primarily from the Tangipahoa Parish Government (TPG), the cities of Hammond and Ponchatoula, GOEA, the Louisiana Department of Transportation and Development (DOTD), program service fees for transportation, and a variety of public donations. General funds are often transferred to special revenue funds to help pay for expenditures that exceed their primary revenues.

All other funds are special revenue funds that are used to account for the proceeds of specific revenue sources which are restricted or committed to expenditure for specified purposes other than debt service or capital projects. By using separate funds to track revenues and expenditures, management can control funds for particular purposes or show that the fund is meeting legal responsibilities for using certain grants and other revenues. All special revenue funds have no fund balance at year-end because all revenue received is expended in the same year.

The Council has presented the General Fund, Title III B Fund, Title III C-1 Fund, and Title III C-2 Fund as *major* governmental funds. All *nonmajor* governmental funds are presented in one column on the fund financial statements, titled *Nonmajor Funds*. A combining Schedule of Revenues, Expenditures, and Changes in Fund Balance of the non-major governmental funds can be found on page 68. Major funds are those whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a major fund could be a fund that does not meet these criteria but which management subjectively believes is important to the Council's financial statement users.

### 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 beginning on page 28 of this report. They should be read before making assumptions or conclusions about the Council's financial condition.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Continued)**

**SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34**

In addition to the basic financial statements, this report also presents certain required supplementary information (RSI) 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 (see pages 61 to 64). The schedules compare the original and final (if the original budget is amended) budgets to actual results for the Council's fiscal year. Positive and negative variances between the final budget and actual amounts are also presented.

Management's Discussion and Analysis (MD&A) is also required supplementary information by GASB Statement 34. However, GASB Statement 34 requires the MD&A be presented as the first item in this reporting package (after the independent auditor's opinion) and not with the other RSI, which is included later in this reporting package.

**SUPPLEMENTARY FINANCIAL INFORMATION FOR GOEA ANALYSIS**

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present a combining schedule that provides details about non-major governmental funds and a schedule containing 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. (See pages 68 and 69)

**SUPPLEMENTARY INFORMATION REQUIRED BY STATE LAW**

Act 706 of the 2014 Louisiana Legislative session amended Louisiana Revised Statute 24:513 A (3) to require a supplementary Schedule of Compensation, Reimbursements, Benefits and Other Payments to the Council's Executive Director. This information is designed to permit the public to see what the agency's head has been paid or reimbursed during the year. The objective is to make the Council's expenditures more transparent.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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

**Condensed Statement of Net Position**

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>
Current and Other Assets:			
Current Assets	\$ 211,211	\$ 210,552	\$ 659
Other Assets	21,501	20,399	1,102
Capital Assets, net of depreciation	<u>73,178</u>	<u>83,317</u>	<u>(10,139)</u>
Total Assets	<u>305,890</u>	<u>314,268</u>	<u>(8,378)</u>
Current Liabilities	<u>17,878</u>	<u>943</u>	<u>16,935</u>
Total Liabilities	<u>17,878</u>	<u>943</u>	<u>16,935</u>
Net Position:			
Net Investment in Capital Assets	73,178	83,317	(10,139)
Restricted	10,672	7,310	3,362
Unrestricted	<u>204,162</u>	<u>222,698</u>	<u>(18,536)</u>
<b>Total Net Position</b>	<b><u>\$ 288,012</u></b>	<b><u>\$ 313,325</u></b>	<b><u>\$ (25,313)</u></b>

As noted earlier, net position may serve over time as a useful indicator of the Council's financial position. The Council's net position at June 30, 2018 was \$288,012, whereas net position as of June 30, 2017 was \$313,325. The net position amount as of June 30, 2018, represents an 8% decrease in net position from 2017.

About 71% of the Council's net position is unrestricted at the end of 2018 which represents no change since 2017. Unrestricted assets are important because they provide management the necessary resources to adapt to changes in the economy, emergencies, unexpected needs, and reduction in or termination of grants and contracts by governmental agencies.

The Council's restricted net position represents about 3.7% of the Council's total net position as of the end of this year compared to 2% in 2017. Net position is reported as restricted when the constraints placed upon the assets' use are either (a) externally imposed by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

The net investment in the capital assets portion of net position is presented net of any related outstanding debt to acquire them. There is, however, no debt to be subtracted from the capital assets. The Council's policy is to acquire capital assets by paying cash and avoiding debt. This

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Continued)**

policy helps assure that management will stay within its financial means so that future revenues will be spent for client services instead of debt service. Net investment in capital assets represents about 25.4% of total net position at the end of 2018 compared to 27% at the end of 2017.

The table presented below illustrates a condensed presentation of the revenues and expenses that caused the increase in net position for FY 2018 and FY 2017, respectively.

	<u>2018</u>	<u>% of Total</u>	<u>2017</u>	<u>% of Total</u>
<b><u>Revenues</u></b>				
Program Revenues:				
Charges for Services	\$ 16,533	1.57%	\$ 14,747	1.30%
Operating Grants & Contributions	639,894	60.80%	680,349	60.20%
Capital Grants & Contributions	0	0.00%	0	0.00%
General Revenues:				
Unrestricted Grants & Contributions	391,112	37.16%	400,497	35.44%
Gain from Insurance - vehicle damaged by the flood	0	0.00%	27,691	2.45%
Gain on Sale of Vehicles	4,000	0.38%	4,000	0.35%
Miscellaneous Income	572	0.05%	2,453	0.22%
Interest Income	361	0.03%	369	0.03%
<b>Total Revenues</b>	<b><u>1,052,472</u></b>	<b><u>100.00%</u></b>	<b><u>1,130,106</u></b>	<b><u>100.00%</u></b>
<b><u>Direct Program Expenses for the Health, Welfare and Social Services Function:</u></b>				
Supportive Services:				
Transportation for the Elderly	358,581	33.27%	368,443	33.84%
Other Supportive Services	89,998	8.35%	98,606	9.06%
Nutrition Services:				
Congregate Meals	94,329	8.75%	82,824	7.61%
Home-delivered Meals	134,103	12.44%	120,606	11.08%
Transportation for the Non-elderly	127,762	11.85%	116,562	10.71%
Other Social Service Programs and Activities	10,589	0.98%	20,906	1.92%
Direct Administrative Expenses	262,423	24.35%	280,689	25.78%
<b>Total Expenses</b>	<b><u>1,077,785</u></b>	<b><u>100.00%</u></b>	<b><u>1,088,636</u></b>	<b><u>100.00%</u></b>
<b>Increase (Decrease) in Net Position</b>	<b><u>(25,313)</u></b>		<b><u>41,470</u></b>	
Net Position, Beginning of the Year	313,325		271,855	
<b>Net Position, End of the Year</b>	<b><u>\$ 288,012</u></b>		<b><u>\$ 313,325</u></b>	

**AN ANALYSIS OF GOVERNMENTAL ACTIVITIES**

As illustrated by the table above, the Council gets most of its revenues from operating grants & contributions that are specifically related to a program and must be used in the programs to which they relate. Unrestricted grants and contributions make up the second largest percentage of

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

revenues and this revenue is available to management to use at its discretion. Charges for services arise from fees the Council has charged for providing a particular service and this revenue is used to pay for the expenses of the programs for which the fees were charged.

The expenses in the table have been presented by primary programs, with some additional details about the subprograms. In presenting this information, only direct program expenses are shown. The administrative expenses include all administrative expenses of the Council before any allocations were made to the various programs. Percentages have been presented for the expenses associated with each program for ease of analysis and to illustrate where the Council has spent its money this year and last year. The expense allocations are a good indication of the demand for each type of service.

When reviewing the government-wide Statement of Activities (Exhibit B), there are relationships that are important to the understanding of the Council's operations. As you can see, the Council's largest program activities are supportive services, particularly elderly transportation, nutrition services, and non-elderly transportation. Accordingly, management allocates funds to these programs because those are the areas of greatest demand.

Another area of interest on the Statement of Activities relates to the *Total Governmental Activities* column wherein the Council shows that most of the governmental activities have more expenses than revenues. In other words, the Council's programs are generally not self-supporting. However, on occasion, a program might *break even* or even make a slight *profit*. The Council's ability to support all governmental activities relies heavily on general revenues. As a result, management prepares the annual budget based on this expectation, which means that general revenues will be used to cover the excess of expenses over revenues in these activities. Without the unrestricted grants and contributions, the Council would be unable to provide services at current levels. Furthermore, the general nature of these revenues allows management discretion as to how to apply them in paying for the Council's current services, as well as reallocating them to meet changing demands.

An indication of how money is used efficiently or inefficiently can be gained by comparing the amount of administration costs from year to year, as well as calculating the percentage administration expenses bears in relation to total expenses. This year total administration expenses were \$262,423 or about 24.4% of total expenses whereas last year total administration expenses were \$280,689 or about 25.8% of total expenses. Administration expenses include indirect-type costs, which are costs not specifically identified with a particular program but those that benefit all programs.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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

**Fund Balances**

The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Council's governmental funds reported combined ending fund balances for all fund types of \$185,477, which is a decrease of \$18,162 when compared to last year. Because none of the Council's special revenue funds have a fund balance at year-end, these overall totals also represent the totals for the Council's total General Fund. The unassigned fund balance component of the General Fund was \$174,555 and is available for spending at management's discretion. The remainder of the General Fund balance consists of \$10,672 of restricted resources and \$250 of nonspendable resources.

**Revenues**

The combined fund revenues decreased by \$50,228 this year, as shown in the table below.

	% of 2018		% of 2017		Increase/(Decrease)	
	2018	Total	2017	Total	Amount	Percent
Intergovernmental	\$ 909,808	86.63%	\$ 939,414	85.37%	\$ (29,606)	-3.15%
Public Support	122,405	11.66%	142,975	12.99%	(20,570)	-14.39%
Program Service Fees	16,533	1.57%	14,747	1.34%	1,786	12.11%
Interest Income	361	0.03%	369	0.03%	(8)	-2.17%
Miscellaneous	1,106	0.11%	2,936	0.27%	(1,830)	-62.33%
<b>Total Revenues</b>	<b>\$ 1,050,213</b>	<b>100%</b>	<b>\$ 1,100,441</b>	<b>100%</b>	<b>\$ (50,228)</b>	<b>-4.56%</b>

Most of the Council's activities were funded by federal, state, and local grants, which comprise the Council's intergovernmental revenues. Most of these grants are restricted, which means that the money can only be used in certain programs. The amount of funds available from most of the grants remains rather constant from year to year, however, some grant amounts may vary based upon the level of service provided by the Council under the terms of the particular grant award. There were multiple reasons for the \$29,606 decrease in intergovernmental revenues this year. The primary reasons are because the Council received (1) \$21,213 less from DOTD's Section 5307 and Section 5311 transportation program grants, (2) \$14,387 less in Emergency Food and Shelter Program funds from United Way of America for home-delivered meals, (3) \$3,301 more from the

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Continued)**

City of Amite for home-delivered meals, and (4) \$4,583 more in general funds from the City of Hammond.

The Council also received donations from its clients and the general public. These revenues helped to lessen the financial burden on the Council and allowed it to maintain its usual services. The overall public support decreased by \$20,570 during FY 2018 primarily due to (1) a \$24,910 reduction in contributions from the United Way of Southeast Louisiana (during FY17 the Council had a received a one time \$25,000 contribution from United Way of Southeast Louisiana) and (2) a \$6,105 increase in fundraising revenues. Public support type revenues are voluntary in nature so the amount the Council receives is not guaranteed from year to year and fluctuations are expected to occur.

Program service fees are generated by the nonelderly transportation program. Program service fees increased by \$1,786 in FY 2018. This increase is directly related to an increase in revenues from contracted services.

**Expenditures**

Total expenditures decreased by \$71,490 this year, as shown in the table below.

	% of 2018		% of 2017		Increase/(Decrease)	
	2018	Total	2017	Total	Amount	Percent
Personnel	\$ 586,610	54.70%	\$ 583,579	51.02%	\$ 3,031	0.52%
Fringe	96,850	9.03%	103,895	9.08%	(7,045)	-6.78%
Travel	13,141	1.23%	15,576	1.36%	(2,435)	-15.63%
Operating Services	134,386	12.53%	147,158	12.86%	(12,772)	-8.68%
Operating Supplies	85,466	7.97%	87,169	7.62%	(1,703)	-1.95%
Other Costs	54,380	5.07%	49,784	4.35%	4,596	9.23%
Meals	77,313	7.21%	66,341	5.80%	10,972	16.54%
Full Service Contracts	3,703	0.35%	3,753	0.33%	(50)	-1.33%
Utiltiy Assistance	612	0.06%	1,759	0.15%	(1,147)	-65.21%
Capital Outlay	10,484	0.98%	54,999	4.81%	(44,515)	-80.94%
Intergovernmental	9,430	0.88%	29,852	2.61%	(20,422)	NA
<b>Total</b>	<b>\$ 1,072,375</b>	<b>100%</b>	<b>\$ 1,143,865</b>	<b>100%</b>	<b>\$ (71,490)</b>	<b>-6.25%</b>

**Personnel expenditures** were almost the same as last year with this year experiencing only a slight increase. Each year changes in personnel costs will arise primarily because there are

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

fluctuations in hours worked and employee attrition. The Council typically employs about 40 people at any given time throughout the year.

**Fringe expenditures** decreased by \$7,045 this year primarily because fewer employees were covered by the health insurance the full year. Specifically, health insurance costs decreased by \$6,026 and state unemployment tax expenditures decreased by \$1,192.

**Travel expenditures** decreased by \$2,435 compared to last year primarily due to a decrease in services provided, which caused employees to use their personal vehicles less than last year.

**Operating services expenditures** decreased this year by \$12,772 mainly because of a decrease in vehicle insurance premiums (\$21,524), which was offset by an increase in vehicle maintenance costs (\$8,969).

**Operating supplies expenditures** decreased this year by \$1,703 mainly because of decreases in small dollar equipment purchases (\$2,772), kitchen supplies (\$1,063), and office supplies (\$2,582), and an offsetting increase in vehicle fuel & supplies (\$4,372).

**Other costs** increased this year by \$4,596 due to multiple reasons. The most notable changes in this category of expenditures involved an increase of \$7,213 in expenditures related to professional fees for bookkeeping and accounting services. In October 2017, the Council's main bookkeeper resigned so some of her duties were outsourced to a CPA firm instead of hiring another employee to replace her. Additionally, the cost of the annual audit increased by \$4,051. These increases were offset in part by expenditure decreases relating to senior citizen birthday parties (\$2,362 decrease), conferences and training (\$1,755 decrease), and Ponchatoula special activities (\$1,260 decrease).

**Meal expenditures** increased by \$10,972 this year because Capital Area Agency was not able to subsidize as much of the meal costs as it did last year Council, which means the Council just had to pay more for the meals it served. This year the Council served 2,226 more total meals (810 congregate and 1,416 home-delivered) than it did last year.

**Full service contract expenditures** represent the services provided by an art instructor for the seniors and varies from year to year based on her level of service. This year she spent less time working with the senior citizens, which accounts for the \$50 decrease in full service type expenditures.

**Utility assistance expenditures** decreased by \$1,147 because the Council had less funds available this year to provide this type of assistance than it did last year, plus demand was lower.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

**Capital outlay expenditures** will vary from year to year based on the needs of the Council. Accordingly, expenditure patterns are not expected to be consistent as might be the case in the other expenditure categories. Overall, capital outlay expenditures decreased \$44,515 this year because the Council purchased a new van for transportation services (\$54,999) in FY17 but had no vehicle purchases during FY18. However, the Council spent \$10,484 for capital outlays this year, which consisted of a new copier (\$7,700) and a hot food table (\$2,784).

**Intergovernmental expenditures** represent amounts the Council has to pay as *matching* funds for the Tangipahoa Parish Government (TPG) to acquire vehicles under FTA grants that will be used by the Council upon delivery. The vehicles will be titled to the TPG instead of the Council, so this is why these expenditures are reported as intergovernmental instead of capital outlays. This year, the Council only paid for one *match* (\$9,430), whereas last year it had to pay for three *matches* (\$29,852).

### AN ANALYSIS OF THE GENERAL FUND BUDGET

During this fiscal year management did not have any budget amendments. A schedule of the original budget and the comparative actual revenues and expenditures for the General Fund can be found in the *Supplementary Financial Information Required by GASB Statement 34* section of this report.

When the budget was initially prepared, the Council forecasted that its general fund expenditures plus transfers out to the special revenue funds would exceed its revenues and other financing sources by \$67,261, which means an operating deficit was being budgeted for the year. The Council was able to budget an operating deficit because it had \$196,329 of unassigned fund balance carrying over from last year. However, the actual operating deficit turned out to be \$18,162. As a result, the overall budget versus actual variance for the year was favorable (\$49,099).

There are many reasons that contributed to the overall favorable variance but some of the more notable ones are as follows:

- The Council thought it would be receiving a \$65,000 grant from DOTD for a capital asset acquisition that did not materialize as anticipated.
- Public Support was \$19,570 more than anticipated.
- Revenues from the City of Hammond were \$4,583 more than anticipated.
- The amount of Section 5311 and 5307 funds forecasted for the general public transportation programs were overstated for the General Fund and understated for the Title III B Fund. The miscalculation caused an appearance of an \$43,228 unfavorable variance to arise in the General Fund revenues and an offsetting favorable variance of \$48,076 in the Title III B Fund for this revenue line item.
- The Council received \$7,073 more from program service fees than anticipated.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)**

- Personnel expenditures were \$36,582 less than budgeted.
- Other costs were \$12,681 less than budgeted.
- Intergovernmental expenditures were \$9,430 more than budgeted as these were overlooked during the budget process.
- Transfers out to other funds were \$86,865 less than anticipated.

The remaining favorable and unfavorable variances within the General Fund were spread across several categories and were within the expectations of management; accordingly, they require no further explanation.

**ANALYSIS OF CAPITAL ASSETS AND DEBT ADMINISTRATION**

Net capital assets decreased by \$10,139 as shown below.

<b><u>Capital Assets, Net of Depreciation</u></b>			<b>Increase/ (Decrease)</b>
	<b><u>2018</u></b>	<b><u>2017</u></b>	
Vehicles	\$ 45,740	\$ 62,403	\$ (16,663)
Office furniture and equipment	9,142	608	8,534
Leasehold improvements	18,296	20,306	(2,010)
	<b><u>\$ 73,178</u></b>	<b><u>\$ 83,317</u></b>	<b><u>\$ (10,139)</u></b>

During the year, the Council disposed of capital assets that had a combined original cost of \$92,351. All of the capital assets that were sold or disposed of were fully depreciated. Specifically, it sold two (2) vehicles, disposed of a copy machine, and disposed of a steam table. However, it bought a new copy machine for \$7,700 and a new steam table for \$2,784. Depreciation expense for the year on capital assets was \$20,623.

At year-end, the Council's transportation fleet consisted of sixteen vehicles, six of which are owned by the Council and ten are owned by the Tangipahoa Parish Government (TPG). Nine of the vehicles have been fully depreciated, which indicates that they might have to be replaced within the next few years. One of the vehicles that the Council owns is an administrative vehicle that is used by the Council's Executive Director to attend to Council business and one vehicle is used exclusively to deliver home-delivered meals. The other four Council-owned vehicles are used solely for public transportation. All ten of the vehicles owned by the TPG are used for public transportation.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Continued)**

The Council does not have any long-term debt and does not like to incur any as a matter of financial stewardship.

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

The Council receives most of its funding from federal and state agencies. Because of this, the source of income for the Council is rather steady. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council, and therefore, revenues may vary from year to year. All of the Council's grants and contracts from the usual federal and state agencies have been awarded for FY 2018 and management is unaware of any significant adverse changes to the funding levels or terms of these grants and contracts.

Management has initially budgeted \$1,059,497 in revenues and \$1,079,682 in expenditures for the Council's programs in FY 2019. The Council has sufficient unassigned fund balance to be able to cover the budgeted deficit of \$20,185. The budget for next year has been approved.

**CONTACTING THE COUNCIL'S MANAGEMENT**

Our financial report is designed to provide governmental agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask for more information, you should contact Debi Fleming, Executive Director, at 106 North Bay St., Amite, LA 70422 or by phone (985) 748-7486.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Statement of Net Position**  
**The Tangipahoa Voluntary Council on Aging**  
**Amite, Louisiana**

June 30, 2018

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets:	
Cash and Investments	\$ 135,704
Receivables:	
Tangipahoa Parish Government (section 5311 grant funds)	41,934
Capital Area Agency on Aging (CAAA)	14,244
Beacon Hospital Management	684
GOEA	3,300
SBET	1,187
City of Amite	5,761
Other	291
Prepaid Expenses	8,106
Total current assets	211,211
Other Asset - prepaid expense for long-term vehicle use	21,501
Capital assets, net of accumulated depreciation	73,178
Total Assets	305,890
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	15,988
Accrued payroll taxes	1,890
Total current liabilities	17,878
<b>NET POSITION</b>	
Net investment in capital assets	73,178
Restricted for:	
Utility Assistance	125
Arts Council	1,286
Birthday Parties	3,040
Senior Citizen Activities	6,221
Unrestricted	204,162
Total Net Position	\$ 288,012

The accompanying notes to the basic financial statements are an integral part of this statement.

## Statement of Activities

The Tangipahoa Voluntary Council on Aging  
Amite, Louisiana  
For the year ended June 30, 2018

Functions/Programs	Program Revenues					Total Governmental Activities	Net (Expense) Revenue and Increase (Decrease) in Net Position
	Direct Expenses	Indirect Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
<b>Governmental Activities</b>							
<b>Health, Welfare &amp; Social Services:</b>							
Supportive Services:							
Transportation of the elderly	\$ 358,581	\$ 129,623	\$ 0	\$ 303,096	\$ 0	\$ (185,108)	
Homemaker	46,325	17,352	0	16,935	0	(46,742)	
Information and Assistance	29,018	10,870	0	6,805	0	(33,083)	
Outreach	990	371	0	468	0	(893)	
Telephoning	8,649	3,240	0	7,717	0	(4,172)	
Utility Assistance	612	0	0	210	0	(402)	
Medic Alert Devices	4,404	604	0	3,396	0	(1,612)	
Nutrition Services:							
Congregate Meals	94,329	32,861	0	72,950	0	(54,240)	
Home Delivered Meals	134,103	21,451	0	85,351	0	(70,203)	
Transportation Services - non elderly	127,762	46,019	16,533	129,867	0	(27,381)	
Family Caregiver Support	90	33	0	150	0	27	
Other Senior Citizen Activities	10,499	0	0	12,949	0	2,450	
<b>Administration</b>	<b>262,423</b>	<b>(262,423)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Total governmental activities	\$ 1,077,785	\$ 0	\$ 16,533	\$ 639,894	\$ 0	\$ (421,358)	
General Revenues:							
Grants and contributions not restricted to specific programs					391,112		
Gain on sale of vehicles					4,000		
Miscellaneous income					572		
Interest income					361		
Total general revenues					<u>396,045</u>		
Increase (Decrease) in net position						<u>(25,313)</u>	
Net position - beginning of the year						<u>313,325</u>	
Net position - end of the year						<u>\$ 288,012</u>	

The accompanying notes to the basic financial statements are an integral part of this statement.

## FUND FINANCIAL STATEMENTS

**Fund Balance Sheet  
Governmental Funds**

**The Tangipahoa Voluntary Council on Aging  
Amite, Louisiana**

June 30, 2018

		Title III B	Title III C-1	Title III C-2	Non-Major	Total
	General Fund	Fund	Fund	Fund	Funds	Governmental Funds
<b>ASSETS</b>						
Cash and Investments	\$ 131,470	\$ 0	\$ 0	\$ 4,234	\$ 0	\$ 135,704
Receivables:						
Tangipahoa Parish Government	11,222	30,712	0	0	0	41,934
Capital Area Agency on Aging	0	6,222	3,341	4,606	75	14,244
Beacon Hospital Management	684	0	0	0	0	684
GOEA	3,300	0	0	0	0	3,300
SBET	1,187	0	0	0	0	1,187
City of Amite	0	0	0	5,761	0	5,761
Other	25	0	240	26	0	291
Prepaid expenditures	250	0	0	0	0	250
Due from other governmental funds	39,083	0	0	0	0	39,083
	<u>187,221</u>	<u>36,934</u>	<u>3,581</u>	<u>14,627</u>	<u>75</u>	<u>242,438</u>
Total Assets	<u>\$ 187,221</u>	<u>\$ 36,934</u>	<u>\$ 3,581</u>	<u>\$ 14,627</u>	<u>\$ 75</u>	<u>\$ 242,438</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	540	0	889	14,559	0	15,988
Accrued payroll taxes	1,204	514	104	68	0	1,890
Due to other governmental funds	0	36,420	2,588	0	75	39,083
	<u>1,744</u>	<u>36,934</u>	<u>3,581</u>	<u>14,627</u>	<u>75</u>	<u>56,961</u>
Total Liabilities	<u>1,744</u>	<u>36,934</u>	<u>3,581</u>	<u>14,627</u>	<u>75</u>	<u>56,961</u>
<b>Fund Balances</b>						
Nonspendable						
Prepaid Expenditures	250	0	0	0	0	250
Restricted for:						
Senior Citizen Activities	6,221	0	0	0	0	6,221
Utility Assistance	125	0	0	0	0	125
Arts Council	1,286	0	0	0	0	1,286
Birthday Parties	3,040	0	0	0	0	3,040
Unassigned	174,555	0	0	0	0	174,555
Total Fund Balances	<u>185,477</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>185,477</u>
Total Liabilities and Fund Balances	<u>\$ 187,221</u>	<u>\$ 36,934</u>	<u>\$ 3,581</u>	<u>\$ 14,627</u>	<u>\$ 75</u>	

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

- Prepaid expenses relating to vehicle usage are not financial resources and therefore are not reported as assets in the governmental funds	29,357
- Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds as assets in the governmental funds	<u>73,178</u>

**Net Position of Governmental Activities**

\$ 288,012

The accompanying notes to the basic financial statements are an integral part of this statement.

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

**The Tangipahoa Voluntary Council on Aging  
Amite, Louisiana**

**For the year ended June 30, 2018**

	General Fund	Title III B Fund	Title III C-1 Fund	Title III C-2 Fund	Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>						
Intergovernmental:						
Capital Area Agency on Aging (CAAA)	\$ 0	\$ 121,595	\$ 54,538	\$ 57,419	\$ 150	\$ 233,702
City of Amite	0	0	0	11,009	0	11,009
City of Hammond	49,583	0	0	0	0	49,583
City of Ponchatoula	29,076	0	0	0	0	29,076
Governor's Office of Elderly Affairs (GOEA)	179,807	0	0	0	0	179,807
Tangipahoa Parish Government (TPG)	183,337	208,881	0	0	0	392,218
Town of Kentwood	0	2,400	0	0	0	2,400
United Way	0	0	0	12,013	0	12,013
Public Support (Restricted):						
Client contributions	23	5,541	17,969	4,851	0	28,384
Other donors	12,881	0	0	0	0	12,881
Public Support (Unrestricted):						
United Way	28,914	0	0	0	0	28,914
Ray Smith Memorial Fund	20,000	0	0	0	0	20,000
Fundraisers	26,135	0	0	0	0	26,135
Other donors	6,091	0	0	0	0	6,091
Program Service Fees- transportation services	16,533	0	0	0	0	16,533
Interest income	361	0	0	0	0	361
Miscellaneous	604	0	443	59	0	1,106
Total revenues	<u>553,345</u>	<u>338,417</u>	<u>72,950</u>	<u>85,351</u>	<u>150</u>	<u>1,050,213</u>
<b>EXPENDITURES</b>						
<b>Health, Welfare, &amp; Social Services:</b>						
Current:						
Personnel	89,488	349,451	94,395	53,193	83	586,610
Fringe	16,404	57,973	13,863	8,597	13	96,850
Travel	861	9,569	785	1,909	17	13,141
Operating Services	29,387	93,586	3,942	7,467	4	134,386
Operating Supplies	24,920	54,065	2,268	4,211	2	85,466
Other Costs	15,739	30,685	4,898	3,053	5	54,380
Meals	0	0	6,137	71,176	0	77,313
Full Service Contracts	3,703	0	0	0	0	3,703
Utility Assistance	612	0	0	0	0	612
Capital Outlay	10,484	0	0	0	0	10,484
Intergovernmental	9,430	0	0	0	0	9,430
Total expenditures	<u>201,028</u>	<u>595,329</u>	<u>126,288</u>	<u>149,606</u>	<u>124</u>	<u>1,072,375</u>
Excess of revenues over (under) expenditures	<u>352,317</u>	<u>(256,912)</u>	<u>(53,338)</u>	<u>(64,255)</u>	<u>26</u>	<u>(22,162)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from Sale of Vehicles	4,000	0	0	0	0	4,000
Operating transfers in	26	256,912	53,338	64,255	0	374,531
Operating transfers out	<u>(374,505)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(26)</u>	<u>(374,531)</u>
Total other financing sources and uses	<u>(370,479)</u>	<u>256,912</u>	<u>53,338</u>	<u>64,255</u>	<u>(26)</u>	<u>4,000</u>
Net increase (decrease) in fund balances	<u>(18,162)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(18,162)</u>
<b>FUND BALANCE (DEFICIT)</b>						
Beginning of year	<u>203,639</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>203,639</u>
End of year	<u>\$ 185,477</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 185,477</u>

The accompanying notes to the basic financial statements 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**

**The Tangipahoa Voluntary Council on Aging  
Amite, Louisiana  
For the year ended June 30, 2018**

Net Increase (Decrease) in Fund Balances - Total Governmental Funds	\$	(18,162)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$20,623) exceeded capital outlays (\$10,484) this year.

		(10,139)
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Governmental funds report the amounts the Council expends as local *matching* funds on capital assistance grants, which results in another government obtaining title to the capital assets acquired under the grants, as intergovernmental expenditures. However, because the Council gets to use the capital assets in lieu of having paid the required local match, the Council records the amounts it paid in the Statement of Net Position as a prepaid expense, which will be amortized over the estimated useful lives of the capital assets. This reconciling amount represents the amount by which intergovernmental expenditures (\$9,430) exceeded amortization expense (\$6,442) this year.

		2,988
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Increase (Decrease) of Net Position of Governmental Activities	\$	<u>(25,313)</u>
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The accompanying notes to the basic financial statements are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS****The Tangipahoa Voluntary Council on Aging  
Amite, Louisiana  
June 30, 2018****Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies**

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

**a. Purpose of the Council on Aging**

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

The primary services provided by the Council to the elderly residents of Tangipahoa Parish include transportation, homemaker, information and assistance, outreach, telephoning, utility assistance, medic alert devices, congregate and home-delivered meals, and family caregiver support. The Council also provides transportation

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies - (Continued)

services to the general public (no age restrictions).

**b. Reporting Entity**

In 1964, the State of Louisiana passed Act 456 authorizing the charter of a voluntary council on aging for the welfare of the aging people in each parish of Louisiana. In 1979, the Louisiana Legislature created the Governor's Office of Elderly Affairs (GOEA) (La. R.S. 46:931) with the specific intention that GOEA administer and coordinate social services and programs for the elderly population of Louisiana through sixty-four parish voluntary councils on aging.

Before a council on aging can begin operations in a specific parish, its application for a charter must receive approval from GOEA pursuant to Louisiana Revised Statute (La. R.S.) 46:1602. Each council on aging in Louisiana must comply with the state laws that apply to quasi-public agencies, as well as the policies and regulations established by GOEA.

The Tangipahoa Voluntary Council on Aging (the Council) is a legally separate, non-profit, quasi-public corporation. The Council incorporated under the provisions of Title 12, Chapter 2 of the Louisiana Revised Statutes on September 22, 1980 and subsequently received its charter from the Governor of the State of Louisiana on October 3, 1980.

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

- Ten members are recommended by the Tangipahoa Parish Government to represent the elderly population in their respective districts.
- Two members are recommended by agencies that serve the elderly.
- Three at-large members are recommended by the general public.

Those persons that have been recommended are presented at the Council's annual

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies - (Continued)

meeting and elected by the general membership.

Although the Tangipahoa Parish Government (TPG) recommends a voting majority of the Council's board, the TPG does not intend to impose its will to affect the operations of the Council. Furthermore, the TPG only provides the Council about 10% of its total annual revenues (not including any pass-through DOTD funds from FTA) and does not assume any specific financial burdens of the Council. As a result, the Council is not a component unit of the Tangipahoa Parish Government.

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

Based on the criteria set forth in section 2100, *The Financial Reporting Entity*, of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the Council is not a component unit of another primary government, nor does it have any component units that are related to it. Accordingly, the Council has presented its financial statements as a special-purpose, stand-alone government by applying the provisions of section 2100 as if it were a primary government.

**c. Basis of Presentation of the Basic Financial Statements**

The Council's basic financial statements consist of *government-wide* financial statements on all activities of the Council, which are designed to report the Council as a whole entity, and *fund* financial statements, which report individual major governmental funds and combined nonmajor governmental funds.

Both the government-wide and fund financial statements categorize primary activities as either *governmental* or *business* type. The Council's functions and programs have all been categorized as *governmental* activities. The Council does not have any business-type activities, fiduciary funds, or any component units that are fiduciary in nature. Accordingly, the government-wide financial statements do not include any of these activities or funds.

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies - (Continued)

**Government-Wide Financial Statements:**

The government-wide financial statements include the Statement of Net Position (Exhibit A) and the Statement of Activities (Exhibit B) for all activities of the Council. As a general rule, the effect of interfund activity has been eliminated from these statements. The government-wide presentation focuses primarily on the sustainability of the Council as an entity and the change in its net position (financial position) resulting from the activities of the current fiscal year. Governmental activities are supported primarily by intergovernmental revenues.

In the government-wide Statement of Net Position only one column of numbers has been presented for total governmental activities. The numbers are presented on a consolidated basis and represent only governmental type activities.

The Statement of Net Position has been prepared on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net position is reported in three parts - investment in capital assets, net of related debt; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Council's functions and significant programs. The Statement of Activities begins by presenting gross direct and indirect expenses that include depreciation and amortization, and then reduces the expenses by related program revenues, such as charges for services, operating and capital grants, and restricted contributions, to derive the net cost of each function or program. Program revenues must be directly associated with the function or program to be used to directly offset its cost. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

Direct expenses reported in the Statement of Activities are those that are clearly identifiable with a specific function or program, whereas, the Council allocates its indirect expenses among various functions and programs in accordance 2 CFR Part 200 - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (aka the "Supercircular"). The Statement of Activities shows this allocation in a separate column labeled *indirect expenses*.

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies -  
(Continued)

In the Statement of Activities, charges for services represent program revenues obtained by the Council when it renders services provided by a specific function or program to people or other entities. Unrestricted contributions, unrestricted grants, interest income, and miscellaneous revenues that are not included among program revenues are reported instead as general revenues in this statement. If a function or program has a net cost, then it was supported in some manner by the Council's general revenues. Special items, if any, are significant transactions within the control of management that are either unusual in nature or infrequent in occurrence and are separately reported below general revenues. The Council did not have any special items this year.

**Fund Financial Statements:**

The fund financial statements (Exhibits C and D) present financial information very similar to that which was included in the general-purpose financial statements issued by governmental entities before Governmental Accounting Standards Board (GASB) Statement No. 34 required the format change.

The daily accounts and operations of the Council continue to be organized using funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

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

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies - (Continued)

statement users. For this year, no additional funds were deemed to be major funds by management. The nonmajor funds are summarized by category or fund type into a single column in the fund financial statements.

Governmental fund equity is called the fund balance. Fund balance is further classified on a hierarchy that shows, from the highest to the lowest, the level or form of constraints on fund balance and accordingly, the extent to which the Council is bound to honor them: nonspendable, restricted, committed, assigned and unassigned.

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

**General Fund**

The **General Fund** is the primary operating fund of the Council and is used to account for all financial resources except those required to be accounted for in another fund. The following is a brief description of the programs or funding sources that comprise the Council's General Fund:

**Local Programs and Funding**

The Council receives revenues that are not required to be accounted for in a specific program or fund. Accordingly, these revenues have been recorded in the local program of the General Fund. These funds are mostly unrestricted, which means they may be used at management's discretion. Expenditures that are not chargeable to specific programs because of budget limitations, or because of their nature, are recorded as local program expenditures. Because of their unrestricted nature, local funds are often transferred to other programs to eliminate deficits in cases where the expenditures of the other programs exceeded their revenues. In addition, capital outlay expenditures are usually made with local funds to minimize restrictions on the use and disposition of fixed assets.

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies - (Continued)

PCOA Funding

Parish Council on Aging (PCOA) funds are appropriated annually for the Council by the Louisiana Legislature and remitted to the Council via GOEA. The Council's management may use these funds at its discretion to fund any of its programs provided the program is benefiting people who are at least 60 years old. In FY 2018, the Council received \$50,728 of PCOA funds, which were initially recorded as revenues of the General Fund. Subsequently, management transferred all \$50,728 of the PCOA funds to the Title III B Supportive Services Fund to subsidize that fund's program expenditures.

Senior Center and Supplemental Senior Center Funding

Senior Center and Supplemental Senior Center grant funds are also appropriated annually for the Council and remitted to the Council via GOEA. These grant funds can be used at management's discretion to pay for congregate type services of any program involving elderly persons who are at least 60 years old. Accordingly, these funds are initially received by the Council's General Fund.

Senior centers are located throughout the parish and are designed to allow the elderly person a place to go to obtain health, welfare and social services. The Council maintains five senior centers in Tangipahoa Parish. During the year, management transferred all \$114,567 of its Senior Center, all \$3,100 of its Supplemental Senior Center and all \$7,812 of its Supplemental Senior Center #2 grant funds to the Title III B Fund to subsidize that fund's cost of providing congregate related social services to elderly persons who used the senior centers.

Medicare Improvement for Patients and Providers Act (MIPPA) Program

The MIPPA program funds are accounted for within the Council's General Fund. The purpose of this program is to provide education and enrollment assistance with regards to the Medicare Improvements for Patients and Provider's Act of 2008 to persons eligible to receive Medicare benefits. To receive the full amount of the grant (\$3,600) the Council had to provide 12 units of service which consisted of hosting outreach, enrollment, and education events in accordance with the specifications, procedures, and requirements outlined in the MIPPA Grant Taxonomy.

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies - (Continued)

Transportation Program Services - Nonelderly

The Council provides various transportation services to the residents of Tangipahoa Parish who are not 60 years old for a fee. These program service fees and their related costs are accounted for within the *Nonelderly Transportation* program of the General Fund. In contrast, transportation services provided to residents who are at least 60 years old are accounted for in the *Elderly Transportation* program of the Title III B Fund.

During the fiscal year, the most significant services provided under this program consisted of the following:

- The Council transports people under age 60 who pay cash fares for the service. Passengers are charged a \$9 fee per one-way trip regardless of the length of the trip. These revenues and the related expenditures are accounted for in this program, which is referred to as *General Public Transportation*. In FY 2018 this transportation service generated \$2,224 of program service fees.
- The Council has agreements with various entities in Tangipahoa Parish to transport people for a negotiated fee per trip. Some of the most notable entities that use this service are the Tangipahoa Parish Tourist Commission, Southern Vintage Market, and Beacon Hospital Management. The Council earned \$9,572 in program service fees from these companies.
- The Council also provides city bus type services to the general public in Hammond and Ponchatoula. The Council generated \$4,736 in fees from its bus services.

Fundraisers

The Council held fundraisers during the year for the purpose of raising additional unrestricted operating funds and to promote community awareness about the needs of the elderly population within Tangipahoa Parish. The main fundraiser is one that the Council holds each year and is referred to as *Walk for Seniors*. It was held in conjunction with the Council's annual picnic in May 2018. Program participants and Council employees volunteer their time to solicit pledges from businesses and individuals of Tangipahoa Parish. To *earn* the pledge, the participants walk distances within a designated area at the picnic. The only other fundraiser was

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies - (Continued)

*Vehicle Sponsorships.* The combined gross revenue from these fundraisers was \$26,135, whereas the combined direct cost of the fundraisers was \$1,742. Accordingly, the Council netted \$24,393 from its fundraising efforts.

Other Senior Citizen Activities

The Council operates senior centers in Hammond, Amite, Kentwood, Independence, and Ponchatoula. The participants at each of these centers solicit public support and raise funds through activities to help offset the cost of activities not paid for through the primary grant to operate senior centers from GOEA. Examples of the types of activities used to raise these funds include craft sales, ceramic sales, soft drink sales, and recycling income. The revenues and related expenditures for each senior center's non-program activities are maintained in separate accounts within the Council's general ledger. The total gross revenue from the general public donations and the activities of the individual senior centers was \$3,919 this year.

The Council has an art class for its seniors and this class was funded by a grant (\$4,530) from the Arts Council of Greater Baton Rouge and birthday parties for its seniors that were financed by a donation (\$4,500) from Peoples Health Network.

Utility Assistance

This program provides utility assistance to elderly, disabled, and handicapped people that qualify for assistance. In past years, the Council used to participate with multiple utility companies to provide this assistance but only one company (WST) provides financial assistance now. In addition, the Council will, on occasion, receive contributions from the general public to purchase fans, heaters, and air condition units to help those people that need them and want to lower their utility bills.

The contributions received for this program are considered restricted public support and can only be used to pay for direct services. No indirect or administration expenses can be paid for with this program's funds.

During the year, the Council provided 2 units of financial utility assistance. The maximum amount of utility assistance a person can receive in one year is usually limited to \$300.

**Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies - (Continued)**

**Special Revenue Funds**

**Special Revenue Funds** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

The Council has established several special revenue funds. The following are brief descriptions of the purpose of each special revenue fund and their classification as either a major or nonmajor governmental fund:

**Major Governmental Funds:**

**Title III B Fund**

The Title III B Fund is used to account for funds used to provide various types of supportive social services to the elderly. GOEA has established the criteria for a qualifying unit of service for each Title III program. Specific supportive services, along with the number of units reported to CAAA during the fiscal year, are as follows:

<u>Type of Service Provided</u>	<u>Units</u>
Information and Assistance	1,285
Outreach	67
Homemaker	2,557
Telephoning	5,580
Transportation for people age 60 or older	21,842
Medic Alert Units	112

The sources of revenues that form the basis of this fund are as follows:

- A grant from GOEA via CAAA for *Special Programs for the Aging \_ Title III, Part B\_ Grants for Supportive Services and Senior Centers* (\$121,595).
- Two grants from the Louisiana Department of Transportation and Development (DOTD) which are passed through the Tangipahoa Parish Government (TPG) to the Council for public transportation services. These

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies - (Continued)

grants reimburse the Council 50% of the cost of providing public transportation services. The portion (\$208,881) of these grants that was used to pay for the transportation costs for elderly riders has been recorded as revenue in this fund.

- An annual grant of \$2,400 from the Town of Kentwood that is to be used to pay for the costs of transporting the elderly in that town.
- Restricted, voluntary public support (\$5,541) from persons who actually received homemaker and transportation services.

**Title III C-1 Fund**

The Title III C-1 Fund accounts for funds used to provide nutritional, congregate meals to people age 60 or older in strategically located centers throughout Tangipahoa Parish. The Council maintains meal-sites in Amite, Independence, Kentwood, Hammond, and Ponchatoula. During the year the Council reported to CAAA that it provided 37,302 meals to eligible participants. The Council also reported 189 units of nutrition education.

The sources of revenues received this year that form the basis of this fund are (1) *Special Programs for the Aging – Title III, Part C-1 – Nutrition Services* grant funds (\$54,538) from GOEA via CAAA and (2) restricted, voluntary public support (\$17,969) from those persons who received congregate meals.

**Title III C-2 Fund**

The Title III C-2 Fund accounts for funds that are used to provide nutritional meals to homebound people who are age 60 or older. During the year the Council reported to CAAA that it provided 58,077 home-delivered meals to eligible participants. The Council also reported 215 units of nutrition education.

The main sources of revenues received this year that form the basis of this fund are (1) *Special Programs for the Aging – Title III, Part C-2 – Nutrition Services* grant funds (\$57,419) from GOEA via CAAA; (2) intergovernmental funds from the City of Amite (\$11,009); (3) United Way Funds (\$12,013); and (4) restricted, voluntary public

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies - (Continued)

support (\$4,851) from the general public, including those persons actually receiving home-delivered meal services.

Nonmajor Governmental Funds:

Title III E Fund

The Title III E Fund is used to account for funds that are used to provide support services for family caregivers and for grandparents or older individuals who are relative caregivers. During the year, the Council reported to CAAA that it provided 3 units of information and assistance to eligible participants. The source of the revenue forming the basis for this fund is a \$150 grant the Council received from GOEA via CAAA for the *Title III, Part E - National Family Caregivers Support Program*.

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

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

**Government-Wide Financial Statements - Accrual Basis**

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

**Fund Financial Statements - Modified Accrual Basis**

Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. A current financial resources measurement focus means that only current assets and current liabilities are generally included on the fund balance sheet. The operating statements of the funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Under the modified accrual basis of accounting, revenues are

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies - (Continued)

recorded when susceptible to accrual; i.e., when they are both measurable and available. *Measurable* means the amount of the transaction can be determined and *available* means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be available if they are collected within sixty days of the current fiscal year end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred, if measurable, except for the following: (1) unmatured principal and interest on long-term debt, if any, are recorded when due, and (2) claims, judgments, and compensated absences are recorded as expenditures when paid with expendable available financial resources. Depreciation and amortization are costs that are not recognized in the governmental funds.

**e. Interfund Activity**

In the fund financial statements, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate. Transfers represent a permanent reallocation of resources between funds. In other words, they are not expected to be repaid.

In the government-wide financial statements, all types of interfund transactions are eliminated when presenting the governmental activity information.

**f. Cash**

Cash includes not only currency on hand, but demand deposits with banks or other financial institutions. Cash is reported at its carrying value, which approximates its fair value.

For the purposes of the Statement of Net Position, restricted cash are amounts received or earned by the Council with an explicit understanding between the Council and the resource provider that the resource would be used for a specific purpose. At year end, the line item *Cash and Investments* on the Statement of Net Position includes \$10,672 of restricted cash. The Council has presented restricted cash as a component of current assets in the Statement of Net Position because of its availability for use in current operations.

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies -  
(Continued)

**g. Receivables**

The financial statements for the Council do not contain an allowance for uncollectible receivables because management believes all amounts will be collected. However, if management becomes aware of information that would change its assessment about the collectability of any receivable, management would write off the receivable as a bad debt at that time.

**h. Investments**

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

Investments, which include securities traded on a national or international exchange, are valued based on their last reported sales price. Investments that do not have an established market are reported at estimated fair value. The Council did not have investments of this type at the end of the fiscal year.

However, the Council invested funds in the Louisiana Asset Management Pool (LAMP). LAMP is a local government 2a7-like investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. A 2a7-like pool is an external investment pool that is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940. However, LAMP, Inc. is subject to regulatory oversight by the state treasurer and its board of directors. For financial statement purposes, LAMP investments are valued and reported at fair value based on quoted market rates. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares sold and redeemed, investments are valued at amortized cost. LAMP seeks to maintain a stable net asset value of \$1.00 per unit, but there are no assurances that LAMP will be able to always achieve this objective. Because of its liquidity, the balance in the LAMP account is classified as a current asset on the Statement of Net

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies -  
(Continued)

Position.

**i. Prepaid Expenses/Expenditures**

In the government-wide financial statements prepaid expenses include amounts paid in advance for goods and services. Prepaid expenses are shown as either current or other assets on the government-wide Statement of Net Position, depending on when management expects to realize their benefits.

In the fund financial statements, management has elected not to include amounts paid for future goods and services as expenditures until those services are consumed. This method of accounting for prepaid expenditures helps assure management that costs incurred will be reported in accordance with the Council's cost reimbursement grants. These types of grants do not permit the Council to obtain reimbursement for qualified expenditures until the goods and services relating to them are consumed. As a result, the prepaid expenditures are shown as an asset on the balance sheet of the fund financial statements until they are consumed. In addition, a corresponding amount of the fund balance of the General Fund has been classified as nonspendable to reflect the amount of fund balance not currently available for expenditure.

For purposes of presenting prepaid expenses in the government-wide statements, the Council will follow the same policy it uses to record prepaid expenditures in the fund financial statements with one exception. Disbursements made as *matching* payments to acquire vehicles that are titled to another governmental entity are recorded as a prepaid expense and amortized in the Statement of Net Position to better present the substance of this type of transaction and to keep from distorting the Council's transportation expenses in the Statement of Activities. In contrast, 100% of the *matching* payments are reported in the fund financial statements as intergovernmental expenditures when the vehicles are received.

**j. Capital Assets**

The accounting and reporting treatment used for property, vehicles, and equipment (capital assets) depends on whether the capital assets are reported in the government-wide financial statements or the fund financial statements.

**Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies - (Continued)**

**Government-Wide Financial Statements**

Capital assets are long-lived assets purchased or acquired with an original cost of at least \$1,000 and 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 Position. 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. Capital assets will also include major repairs to equipment and vehicles that significantly extend the asset's useful life. Routine repairs and maintenance are expensed as incurred.

For capital assets recorded in the government-wide financial statements, depreciation is computed and recorded using the straight-line method for the asset's estimated useful life. The Council follows a guideline issued by the State of Louisiana's Office of Statewide Reporting and Accounting to establish the useful lives of the various types of capital assets that are depreciated and the method used to calculate annual depreciation. Using this guideline, the estimated useful lives of the various classes of depreciable capital assets are as follows:

Vehicles	5 years
Computer equipment	5 years
Office equipment - other than computers	6 years
Nutrition equipment	10 years
Leasehold improvements	20 years

When calculating depreciation, the State's guideline assumes that capital assets will not have any salvage values and that a full year's worth of depreciation will be taken in the year the capital assets are placed in service or disposed.

**Fund Financial Statements**

In the fund financial statements, capital assets used in the Council's operations are accounted for as capital outlay expenditures of the governmental fund that provided the resources to acquire the assets. Depreciation is not computed or recorded on capital assets for purposes of the fund financial statements.

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies - (Continued)

**k. Non-Current (Long-term) Liabilities**

The accounting treatment of non-current liabilities depends on whether they are reported in the government-wide or fund financial statements. In the government-wide financial statements, all non-current liabilities that will be repaid from governmental resources are reported as liabilities. In the fund financial statements, non-current liabilities for governmental funds are not reported as liabilities or presented elsewhere in these statements. The Council did not have any non-current liabilities at year-end.

**l. Unpaid Compensated Absences**

The Council's annual leave policy requires employees to consume any annual leave they might earn within the Council's fiscal year. In other words, an employee must *use or lose* any earned leave on or before June 30<sup>th</sup> of every year. In contrast, the Council's sick leave policy allows an employee to carryover up to thirty days of sick leave. However, upon termination the employee is not paid for any unused sick leave. As a result, the Council has not accrued a liability for any unused annual or sick leave in the financial statements.

The Council's management has this policy to minimize the Council's exposure to a liability for which the Council may not have the funds to pay.

**m. Advances from Funding Agencies**

The Council reports advances from funding agencies on both the Statement of Net Position (government-wide) and the Balance Sheet (fund financial statements). Advances from funding agencies represent unexpended balances of grants awarded to the Council that are required to be returned to the funding agency at the end of the grant period. Grant funds due back to the funding agency are recorded as a liability when the amount due becomes known, normally when a final accounting is submitted to the funding agency. The Council did not have any advances from funding agencies at year-end.

**n. Deferred Revenue**

The Council reports deferred revenues on both the Statement of Net Position

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies - (Continued)

(government-wide) and the Balance Sheet (fund financial statements). Deferred revenues arise when the Council receives resources before it has a legal claim to them, as when grant monies are received before the occurrence of qualifying expenditures. In subsequent periods, when the Council has a legal claim to the resources, the liability for deferred revenue is removed from the Statement of Net Position and the Fund Balance Sheet, whichever the case might be, and the revenue is recognized. The Council did not have any deferred revenue at year-end.

**o. Deferred Outflows and Inflows of Resources**

Deferred outflows represent the consumption of the Council's net position that is applicable to a future reporting period. Deferred inflows represent the acquisition of net position that is applicable to a future reporting period. The Council did not have any deferred outflows or inflows of resources to report in any of its financial statements this year.

**p. Net Position in the Government-wide Financial Statements**

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources.

The Council reports three categories of net position, as follows:

- *Net investment in capital assets* - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding debt attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in this component of net position. Rather, that portion of the debt is included in the same component of net position as the unspent proceeds. At year-end, the Council did not have any borrowings that were related to capital assets.
- *Restricted net position* - This component reports the amount of net position with externally imposed constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies - (Continued)

- *Unrestricted net position* - This component is the balance (deficit) of all other elements in the statement of net position remaining after net investment in capital assets and restricted net position.

q. **Fund Equity - Fund Financial Statements**

Governmental fund equity is classified as *fund balance*, which is classified based on the relative strength of the spending constraints placed on how the fund balance resources can be used, as follows:

- *Nonspendable*: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being nonspendable because these items are not expected to be converted to cash.
- *Restricted*: This classification includes amounts for which constraints have been placed on the use of resources and are either:
  - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
  - Imposed by law through constitutional provisions or enabling legislation.
- *Committed*: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Council's board of directors, which is the Council's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council did not have any committed resources as of

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies - (Continued)

year-end.

- *Assigned:* This classification includes spendable amounts that are reported in governmental funds *other than the General Fund*, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for specific purpose. The intent of an assigned fund balance should be expressed by the Council's (1) board of directors, (2) its finance committee, or (3) an official, such as the executive director, to which the board of directors has delegated the authority to assign amounts to be used for a specific purpose. The Council did not have any assigned fund balance as of year-end.
- *Unassigned:* This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the Council will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the Council's management reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

**r. Management's Use of Estimates**

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

**s. Allocation of Indirect Expenses**

The Council reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are recorded as direct costs of the Administration function. The net cost of the Administration function is allocated

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies - (Continued)

using a formula based primarily on the relationship the direct cost a program bears to the direct cost of all programs. There are some programs that cannot absorb any indirect expense allocation according to their grant or contract restrictions.

t. **Elimination and Reclassifications**

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

Note 2 - Revenue Recognition

Revenues are recorded in the government-wide financial statements when they are earned using 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 (charges for services), and interest income must be both measurable and available. However, the timing and amounts of the receipts of public support and miscellaneous revenues are often difficult to measure; therefore, they are recorded as revenue in the period received.

Note 3 - Cash Management, Deposits and Investments

The Council maintains a consolidated operating bank account at Florida Parishes Bank, which is available for use by all funds to deposit revenues and pay expenses. The purpose of this consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds.

The Council's policy is to follow state law in an effort to minimize risks associated with bank deposits that exceed those covered by FDIC insurance. Currently, only the first \$250,000 of deposits at each bank are covered by FDIC insurance. At year-end, all of the bank balances were insured 100% by federal depository insurance thereby making them a Category 1 type credit risk.

The Council maintains petty cash funds (\$50 for each location) at its main office and at four of its senior centers to pay for small, unexpected expenses that might arise during daily operations.

During the year the Council might accumulate cash in excess of its immediate needs. To maximize its revenues, the Council's management will invest the excess cash. The Council's management has adopted an investment policy that is intended to follow Louisiana Revised Statute 33:2955, which sets forth a list of the types of investments in which a political subdivision may invest its temporarily idle funds. Accordingly, the Council's management invested \$10,463 in the Louisiana Asset Management Pool (LAMP). This type of investment complies with state law and the Council's investment policy.

LAMP is an external investment pool established as a cooperative endeavor to enable public entities in the State of Louisiana an opportunity to combine their funds for investment. LAMP is administered by LAMP, Inc., a non-profit corporation organized under Louisiana law. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not

**Exhibit F - Continued**

categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is generally restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM (to reset) for LAMP's total investments is 47 days and the WAM (to final) is 85 days as of June 30, 2018.
- Foreign currency risk: Not applicable to 2a7-like pools.

At June 30, 2018, the Council's cash and investments consisted of the following:

<u>Cash &amp; Investments</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Credit Risk Category</u>
Cash:					
Florida Parishes Bank	\$ 124,991	\$ 124,991	0.13%	Demand	Category 1
Petty Cash	250	250	None	N/A	None
Total Cash	<u>125,241</u>	<u>125,241</u>			
Investments:					
LAMP	10,463	10,463	2.01%	Demand	Not Required
Total Investments	<u>10,463</u>	<u>10,463</u>			
Total Cash & Investments	<u>\$ 135,704</u>	<u>\$ 135,704</u>			
Unrestricted Purpose	\$ 125,032				
Restricted Purpose:					
Senior Citizen Activities	10,547				
Utility Assistance	125				
Total Cash & Investments	<u>\$ 135,704</u>				

As illustrated in the above table, some of the Council's cash and investments are restricted assets for presentation in the Statement of Net Position. Restricted assets include amounts received or earned by the Council with an explicit understanding between the Council and the resource providers that the resource would be used for a

specific purpose.

**Note 4 - Prepaid Expenditures and Expenses**

At year-end, there were \$250 of prepaid expenditures in the Fund Balance Sheet related to training classes prepaid to LANTEC.

At year-end, prepaid expenses in the Statement of Net Position consisted of the following:

	Current Portion	Noncurrent Portion
Prepaid Training Classes	\$ 250	\$ -
Unamortized vehicle usage	\$ 7,856	\$ 21,501
Total prepaid expenses	<u>\$ 8,106</u>	<u>\$ 21,501</u>

The current portion of prepaid expenses represents the amount the Council paid to LANTEC for training classes that will be attended in FY19 as well as the amount related to vehicle usage that management expects the Council to consume and economically benefit from in the next fiscal year. The noncurrent portion represents the amount of vehicle usage that will be amortized in future years.

The difference, if any, between prepaid expenditures and prepaid expenses arises from transactions wherein the Council has paid *matching funds* under capital assistance grants the Tangipahoa Parish Government (TPG) entered into with the Louisiana Department of Transportation and Development (DOTD) to acquire vehicles. The vehicles are titled in the name of the TPG, but the Council uses the vehicles for its transportation programs and must pay for all the operating costs. The funds the Council expends as *matching funds* are first recorded as van deposits in its Fund Balance Sheet when the funds are remitted to DOTD. Upon delivery of the vehicles to the COA, the deposits are reversed as intergovernmental expenditures in the Council's fund financial statements. However, in the government-wide financial statements, the *matching funds* are classified as prepaid expenses and amortized over the estimated useful lives of the vehicles (100,000 miles - approximately 60 months). The Council's management believes presenting the matching transactions in this manner in the government-wide financial statements best presents the economics of the transactions. No written lease exists between the TPG and the Council that sets forth the terms of the agreement to use the TPG's vehicles. However, this type of cooperative endeavor agreement to provide general public transportation in Tangipahoa Parish has been used for many years.

**Note 5 - Changes in Capital Assets and Accumulated Depreciation**

A summary of changes in capital assets and accumulated depreciation is as follows:

Capital Assets Being Depreciated	Balance June 30, 2017	Additions	Decreases	Balance June 30, 2018
Vehicles	\$ 265,207	\$ 0	\$ (83,457)	\$ 181,750
Office furniture and equipment	11,585	7,700	(7,869)	11,416
Nutrition equipment	1,025	2,784	(1,025)	2,784
Leasehold improvements	41,333	0	0	41,333
<b>Total Capital Assets</b>	<b>319,150</b>	<b>10,484</b>	<b>(92,351)</b>	<b>237,283</b>
Less Accumulated Depreciation:				
Vehicles	202,805	16,662	(83,457)	136,010
Office furniture and equipment	10,977	1,486	(7,869)	4,594
Nutrition equipment	1,025	464	(1,025)	464
Leasehold improvements	21,026	2,011	0	23,037
<b>Total Accumulated Depreciation</b>	<b>235,833</b>	<b>20,623</b>	<b>(92,351)</b>	<b>164,105</b>
<b>Capital Assets Net of Depreciation</b>	<b>\$ 83,317</b>	<b>\$ (10,139)</b>	<b>\$ 0</b>	<b>\$ 73,178</b>

None of the above amounts includes any donated asset.

The Council's management has reviewed the capital assets and does not believe any of the assets to be impaired as of year-end.

Depreciation was charged to governmental activities as follows:

Administration	\$ 3,497
Supportive Services:	
Transportation of the elderly	10,639
Nutrition Services:	
Congregate meals	464
Home delivered meals	5,662
Transportation - non elderly	361
<b>Total depreciation expense</b>	<b>\$ 20,623</b>

The depreciation expense associated with the administration function (\$3,497) relates to capital assets that essentially serve all functions. Accordingly, it is included as a direct expense of the administration function on the Statement of Activities and then allocated

to other functions in accordance with the Council's method of allocating indirect expenses. The other depreciation amounts (\$17,126) are charged as direct expenses to their related functions on the Statement of Activities.

**Note 6 - Fund Balances - Fund Financial Statements**

At year-end, none of the special revenue funds have a fund balance. The fund balances of the special revenue funds are cleared out at year-end to comply with the administration and accounting policies of the grantor agencies that have awarded the Council certain grants.

The General Fund has \$10,672 of restricted funds to be used specifically for senior citizen activities at various senior centers (\$10,547) and Utility Assistance (\$125).

**Note 7 - In-Kind Contributions**

The Council received a variety of in-kind contributions during the year, but does not record the fair value of them in its government-wide and fund financial statements, except for the donation of capital assets. In the case of a donation of a capital asset, accounting principles for governmental entities require the fair value of a donated capital asset be recorded in the Statement of Activities at the time of acquisition. However, these same principles do not permit the recording of the fair value of capital assets (or other in-kind contributions) in the fund financial statements because of the measurement focus of such statements.

The in-kind contributions that the Council received during the year consisted primarily of (1) free rent and utilities relating to the use of facilities in Ponchatoula, Amite, Hammond, Independence, and Kentwood and (2) the use of vehicles owned by the Tangipahoa Parish Government.

Management has compiled a summary of the types of in-kind contributions received by the Council this year using information furnished by the donors, which is as follows:

**Exhibit F - Continued**

Facility rental	\$ 145,340
Utilities for facilities	13,384
Janitorial and maintenance services	9,975
Insurance	9,859
Telephone	1,966
Van usage	<u>65,958</u>
Total estimated in-kind contributions	<u>\$ 246,482</u>

If these in-kind contributions had been recorded in the Statement of Activities their allocation would have been as follows: \$151,724 Senior Citizens Center Operations; \$3,606 Nutrition Services - congregate meals; \$2,353 Nutrition Services - home-delivered meals; \$60,605 elderly transportation; \$24,631 non-elderly transportation; \$3 Family Caregiver Support; and \$3,560 Supportive Services -non-transportation programs.

**Note 8 - Board of Directors' Compensation**

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members can request reimbursement for out-of-pocket expenses in accordance with the Council's travel policy when traveling on behalf of the Council.

**Note 9 - Income Tax Status**

The Council, a non-profit corporation, is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code of 1986, and as an organization that is not a private foundation as defined in Section 509(a) of the Code. The Council is also exempt from Louisiana income tax.

The Council does not file a Form 990 because the Council has been determined by the Internal Revenue Service to be an *affiliate of a governmental unit* within the meaning of Section 4 of Revenue Procedure 95-48, 1995-2 C.B. 418.

**Note 10 - Lease and Rental Commitments**

On October 28, 1999 the Louisiana State Board of Elementary and Secondary Education (BESE) approved a 20-year lease between it and the Council for the Hammond senior center building. The Council has the option to renew this lease for four consecutive additional terms of five years each provided the Council has maintained the building

and submitted its request to renew in writing to BESE at least sixty days before the end of the lease term. The Council is responsible for all interior and exterior repairs, utilities, the property insurance premium, and must maintain a minimum of \$1,000,000 of liability insurance coverage on the property. BESE does not charge the Council any rent to use the building.

**Note 11 - Judgments, Claims, and Similar Contingencies**

As of year-end the Council's management has no knowledge of any pending litigation, lawsuits, or claims against the Council. Furthermore, the Council's management believes that any unexpected lawsuits or claims that might be filed against the Council would be adequately covered by insurance or resolved without any material impact upon the Council's financial statements.

**Note 12 - Contingencies - Grant Programs**

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

**Note 13 - Economic Dependency**

The Council receives the majority of its revenue from other governmental entities in the form of intergovernmental revenues. Intergovernmental type revenues are appropriated each year by the federal, state, and local governments. If significant budget cuts are made at the federal or state level, or the Council loses or fails to reapply for a grant, the amount of funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive next year relating to its usual sources of intergovernmental revenues.

**Note 14 - Risk Management**

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters. The Council has purchased commercial insurance, with deductibles ranging from \$1,000 to \$2,500, to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. No settlements were made during the current or prior three fiscal years that exceeded the Council's insurance coverage.

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

**Note 15 - Deferred Compensation Plan**

Beginning April 1, 2014, the Council and its qualified employees began participating in the *Louisiana Public Employees Deferred Compensation Plan*, which is a nonqualified deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Great-West Life and Annuity Insurance Company administers the plan. The Plan is available to all employees who have worked at least six months. The Plan permits participating employees to defer up to the lesser of (1) 100% of their compensation or (2) \$18,000 (\$24,000 if over 50 years of age) per year. All amounts contributed to the Plan by the employees and the Council are non-forfeitable thereby making them 100% vested to the employees. During this year, \$0 was contributed to the Plan via employee salary deferrals. The Council did not match any employee contributions and is not required to match them under this plan. The Plan does not meet the definition of a fiduciary fund; accordingly, the Council has not reported any amounts in these financial statements. Participation in the deferred compensation plan is at the option of each employee. The Council does not guarantee the benefits of any amounts contributed to the plan.

**Note 16 - Interfund Receivables and Payables - Fund Financial Statements**

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

	<u>Receivable From</u>	<u>Payable To</u>
General Fund:		
Major Funds:		
Title III B	\$ 36,420	\$ 0
Title III C-1	2,588	0
Non-Major Funds	75	0
Nonmajor Funds in the aggregate:		
Totals for the General Fund	<u>39,083</u>	<u>0</u>
Special Revenue Funds:		
Major Funds:		
Title III B:		
General Fund	0	36,420
Title III C-1:		
General Fund	0	2,588
Title III E:		
General Fund	0	75
Totals for Special Revenue Funds	<u>0</u>	<u>39,083</u>
Totals for All Funds	<u><u>\$ 39,083</u></u>	<u><u>\$ 39,083</u></u>

Note 17 - Interfund Transfers

Operating transfers to and from the various funds are as follows for the fiscal year:

	Operating Transfers	
	In From	Out To
General Fund:		
Title III B Fund	\$ 0	\$ 256,912
Title III C-1 Fund	0	53,338
Title III C-2 Fund	0	64,255
Nonmajor Funds	26	0
Total General Fund	<u>26</u>	<u>374,505</u>
Title III B - Fund:		
General Fund - PCOA grant	\$ 50,728	\$ 0
General Fund - Senior Center grant	114,567	0
General Fund - Sup. Senior Center grant 1	3,100	0
General Fund - Sup. Senior Center grant 2	7,812	
General Fund - various local funds	80,705	0
Total Title III B Fund	<u>256,912</u>	<u>0</u>
Title III C-1 Fund:		
General Fund - various local funds	\$ 53,338	\$ 0
Total Title III C-1 Fund	<u>53,338</u>	<u>0</u>
Title III C-2 - Fund:		
General Fund - various local funds	\$ 64,255	\$ 0
Total Title III C-2 Fund	<u>64,255</u>	<u>0</u>
Nonmajor Funds in the Aggregate:		
Title III E:		
General Fund	\$ 0	\$ 26
Total for Nonmajor Funds	<u>0</u>	<u>26</u>
Grand Totals	<u>\$ 374,531</u>	<u>\$ 374,531</u>

Transfers are used (a) to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (b) to shift unrestricted revenues collected in the General Fund to finance various programs accounted for by special revenue funds to eliminate program deficits.

These transfers were eliminated as a part of the consolidation process in preparing the government-wide financial statements.

**Note 18 - Related Party Transactions**

There were no related party transactions during the fiscal year.

**Note 19 - Purchase Commitments**

There were no outstanding significant purchase agreements at year-end.

**Note 20 - Subsequent Events**

Management has evaluated subsequent events through December 14, 2018, which is the date the financial statements were available to be issued. There were no events that required disclosure.

**SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GASB 34**

**Budgetary Comparison Schedule - General Fund**

**The Tangipahoa Voluntary Council on Aging  
Amite, Louisiana**

**For the year ended June 30, 2018**

	<b>Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original (Unamended)</b>	<b>Modified Accrual Basis</b>	<b>Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Intergovernmental:			
Governor's Office of Elderly Affairs:			
PCOA	\$ 50,728	\$ 50,728	\$ 0
Senior Center	114,567	114,567	0
Supplemental Senior Center 1	3,100	3,100	0
Supplemental Senior Center 2	7,812	7,812	0
MIPPA	0	3,600	3,600
La. Dept. of Transportation & Development	65,000	0	(65,000)
Tangipahoa Parish Government:			
Annual Award	60,000	60,000	0
Health Insurance Reimbursements	46,951	46,547	(404)
Section 5311 and 5307 Pass-through Grants	120,018	76,790	(43,228)
City of Hammond	45,000	49,583	4,583
City of Ponchatoula	29,076	29,076	0
Public Support - restricted and unrestricted	74,474	94,044	19,570
Program Service Fees- transportation services	9,460	16,533	7,073
Interest Income	600	361	(239)
Miscellaneous	100	604	504
<b>Total revenues</b>	<b>626,886</b>	<b>553,345</b>	<b>(73,541)</b>
<b>EXPENDITURES</b>			
Current:			
Personnel	126,070	89,488	36,582
Fringe	22,686	16,404	6,282
Travel	1,280	861	419
Operating Services	28,774	29,387	(613)
Operating Supplies	16,584	24,920	(8,336)
Other Costs	28,420	15,739	12,681
Meals	0	0	0
Full Service Contracts (art instructor)	4,192	3,703	489
Utility Assistance	0	612	(612)
Capital Outlay	8,771	10,484	(1,713)
Intergovernmental	0	9,430	(9,430)
<b>Total expenditures</b>	<b>236,777</b>	<b>201,028</b>	<b>35,749</b>
<b>Excess of revenues over expenditures</b>	<b>390,109</b>	<b>352,317</b>	<b>(37,792)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Sale of Vehicles	4,000	4,000	0
Transfers in	0	26	26
Transfers out	(461,370)	(374,505)	86,865
<b>Total other financing sources and uses</b>	<b>(457,370)</b>	<b>(370,479)</b>	<b>86,891</b>
<b>Net increase (decrease) in fund balance</b>	<b>\$ (67,261)</b>	<b>(18,162)</b>	<b>\$ 49,099</b>
<b>FUND BALANCE</b>			
Beginning of year		203,639	
End of year		\$ 185,477	

See auditor's report.

**Budgetary Comparison Schedule - Title III B Fund**

**The Tangipahoa Voluntary Council on Aging  
Amite, Louisiana  
For the year ended June 30, 2018**

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original (Unamended)</u>	<u>Modified Accrual Basis</u>	<u>Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Intergovernmental:			
Capital Area Agency on Aging (CAAA)	\$ 121,595	\$ 121,595	\$ 0
Tangipahoa Parish Government - Section 5311 & 5307	160,805	208,881	48,076
Town of Kentwood	2,400	2,400	0
Public Support	7,143	5,541	(1,602)
Total revenues	<u>291,943</u>	<u>338,417</u>	<u>46,474</u>
<b>EXPENDITURES</b>			
Current:			
Personnel	379,725	349,451	30,274
Fringe	66,055	57,973	8,082
Travel	12,536	9,569	2,967
Operating Services	107,551	93,586	13,965
Operating Supplies	64,291	54,065	10,226
Other Costs	11,292	30,685	(19,393)
Full Service Contracts	0	0	0
Total expenditures	<u>641,450</u>	<u>595,329</u>	<u>46,121</u>
Excess of expenditures over revenues	<u>(349,507)</u>	<u>(256,912)</u>	<u>92,595</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	349,507	256,912	(92,595)
Transfers out	0	0	0
Total other financing sources and uses	<u>349,507</u>	<u>256,912</u>	<u>(92,595)</u>
Net increase (decrease) in fund balance	<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>
<b>FUND BALANCE</b>			
Beginning of year		<u>0</u>	
End of year		<u>\$ 0</u>	

See auditor's report.

**Budgetary Comparison Schedule - Title III C-1 Fund**

**The Tangipahoa Voluntary Council on Aging  
Amite, Louisiana  
For the year ended June 30, 2018**

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original (Unamended)</u>	<u>Modified Accrual Basis</u>	<u>Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Intergovernmental:			
Capital Area Agency on Aging (CAAA)	\$ 54,538	\$ 54,538	\$ 0
Public Support	19,580	17,969	(1,611)
Miscellaneous (Alternate Vendor)	0	443	443
Total revenues	<u>74,118</u>	<u>72,950</u>	<u>(1,168)</u>
<b>EXPENDITURES</b>			
Current:			
Personnel	93,318	94,395	(1,077)
Fringe	14,266	13,863	403
Travel	561	785	(224)
Operating Services	4,496	3,942	554
Operating Supplies	4,286	2,268	2,018
Other Costs	435	4,898	(4,463)
Full Service Contracts	0	0	0
Meals	5,064	6,137	(1,073)
Total expenditures	<u>122,426</u>	<u>126,288</u>	<u>(3,862)</u>
Excess of expenditures over revenues	<u>(48,308)</u>	<u>(53,338)</u>	<u>(5,030)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	48,308	53,338	5,030
Transfers out	0	0	0
Total other financing sources and uses	<u>48,308</u>	<u>53,338</u>	<u>5,030</u>
Net increase (decrease) in fund balance	<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>
<b>FUND BALANCE</b>			
Beginning of year		<u>0</u>	
End of year		<u>\$ 0</u>	

See auditor's report.

**Budgetary Comparison Schedule - Title III C-2 Fund**

**The Tangipahoa Voluntary Council on Aging  
Amite, Louisiana  
For the year ended June 30, 2018**

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original (Unamended)</u>	<u>Modified Accrual Basis</u>	<u>Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Intergovernmental:			
Capital Area Agency on Aging (CAAA)	\$ 57,419	\$ 57,419	\$ 0
City of Amite	10,860	11,009	149
United Way of America	12,000	12,013	13
Public Support	4,965	4,851	(114)
Miscellaneous (Alternate Vendor)	0	59	59
Total revenues	<u>85,244</u>	<u>85,351</u>	<u>107</u>
<b>EXPENDITURES</b>			
Current:			
Personnel	50,566	53,193	(2,627)
Fringe	8,362	8,597	(235)
Travel	1,085	1,909	(824)
Operating Services	8,031	7,467	564
Operating Supplies	4,291	4,211	80
Other Costs	309	3,053	(2,744)
Full Service Contracts	0	0	0
Meals	76,155	71,176	4,979
Total expenditures	<u>148,799</u>	<u>149,606</u>	<u>(807)</u>
Excess of expenditures over revenues	<u>(63,555)</u>	<u>(64,255)</u>	<u>(700)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	63,555	64,255	700
Transfers out	0	0	0
Total other financing sources and uses	<u>63,555</u>	<u>64,255</u>	<u>700</u>
Net increase (decrease) in fund balance	<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>
<b>FUND BALANCE</b>			
Beginning of year		0	
End of year		<u>\$ 0</u>	

See auditor's report.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
The Tangipahoa Voluntary Council on Aging  
Amite, Louisiana  
For the Year Ended June 30, 2018

Note 1 - Budgetary Reporting

The budget information presented in this section of required supplementary information applies to *major* governmental funds for which annual budgets were adopted. Budgetary information for *nonmajor* funds has not been included anywhere in these financial statements.

The Council follows these procedures in establishing the budgetary data that has been presented as required supplementary information in these financial statements.

- The Capital Area Agency on Aging - District II Inc., (CAAA) notifies the Council each year as to the funding levels for each program's grant award.
- Revenue projections are also made based on grants from GOEA and other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- Expenditure projections are developed using historical information and changes to the upcoming year that management is aware of at the time of budget preparation.
- Once the information regarding projected revenues and expenditures has been obtained, the Council's executive director and bookkeeper prepare a proposed budget based on the projections. The proposed budget is submitted to the Board of Directors for final approval.
- The Board of Directors reviews and adopts the budget for the next fiscal year at a regularly scheduled board meeting before May 31 of the current fiscal year. The budget for FY 2018 was adopted at a board meeting on April 11, 2018.
- The adopted budget is forwarded to CAAA for compliance approval for the funds it will pass through to the Council from GOEA.
- Unused budget amounts lapse at the end of each fiscal year (June 30). However, if a grant or contract is not completed by June 30, management will automatically budget funds in the next fiscal year to complete the grant or contract. An example where this might occur is when vehicles are acquired under a federal matching

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
(Continued)

program. The *match* might be made in one year and the vehicle delivered in another year.

- The budget is prepared on a modified accrual basis, consistent with the basis of accounting for governmental funds, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying required supplementary information include the original adopted budget amounts and all subsequent amendments. The Council did not amend its FY 2018 budget.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The Council may transfer funds between line items as often as required but must obtain compliance approval from the CAAA and GOEA for funds received under grants and contracts from these agencies. As a part of their compliance, CAAA and GOEA require management to amend the budget in cases where actual expenditures for a particular line item exceed their budgeted amount by more than 10%, unless unrestricted funds are available to *cover* the overrun.
- Budgeted expenditures cannot exceed budgeted revenues on an individual fund level, unless a large enough fund balance exists to absorb the budgeted operating deficit.
- The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some activities may not be budgeted, particularly if they are deemed to be immaterial by management.

**Note 2 - General Fund's Budgeted Operating (Deficit) Surplus**

Management budgeted an operating deficit in the General Fund this year because it believed the expenditures in the special revenue funds would exceed their usual revenue sources. So, management budgeted significant transfers into the special revenue funds. The Council was able to budget an operating deficit because it had sufficient unassigned fund balance from last year to cover the deficit.

**SUPPLEMENTARY FINANCIAL INFORMATION FOR GOEA ANALYSIS**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS**

**The Tangipahoa Voluntary Council on Aging  
Amite, Louisiana  
For the year ended June 30, 2018**

	<b>Title III E Fund</b>	<b>Totals</b>
<b><u>REVENUES</u></b>		
Intergovernmental:		
Capital Area Agency on Aging (CAAA)	\$ 150	\$ 150
Total revenues	150	150
<b><u>EXPENDITURES</u></b>		
<b>Health, Welfare, &amp; Social Services:</b>		
Current:		
Personnel	83	83
Fringe	13	13
Travel	17	17
Operating Services	4	4
Operating Supplies	2	2
Other Costs	5	5
Meals	0	0
Full Service Contracts	0	0
Capital Outlay	0	0
Total expenditures	124	124
Excess of revenues over (under) expenditures	26	26
<b><u>OTHER FINANCING SOURCES (USES)</u></b>		
Operating transfers in	0	0
Operating transfers out	(26)	(26)
Total other financing sources and uses	(26)	(26)
Net increase (decrease) in fund balances	0	0
<b><u>FUND BALANCE (DEFICIT)</u></b>		
Beginning of year	0	0
End of year	\$ 0	\$ 0

See auditor's report.

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

**The Tangipahoa Voluntary Council on Aging  
Amite, Louisiana**

**For the year ended June 30, 2018**

	<b>Balance June 30, 2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2018</b>
<b><u>Capital Assets</u></b>				
Vehicles	\$ 265,207	\$ 0	\$ (83,457)	\$ 181,750
Office furniture and equipment	11,585	7,700	(7,869)	11,416
Nutrition equipment	1,025	2,784	(1,025)	2,784
Leasehold improvements	41,333	0	0	41,333
 Total capital assets	 \$ 319,150	 \$ 10,484	 \$ (92,351)	 \$ 237,283
 <b><u>Investment in Capital Assets</u></b>				
Property acquired with funds from -				
Local funds and donations	\$ 185,447	\$ 10,484	(25,644)	\$ 170,287
FTA	132,590	0	(66,707)	65,883
Title III B	590	0	0	590
Title III C-1	267	0	0	267
Title III C-2	134	0	0	134
Senior Center	122	0	0	122
 Total investment in capital assets	 \$ 319,150	 \$ 10,484	 \$ (92,351)	 \$ 237,283

See auditor's report.

**SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY LOUISIANA LAW**

**Schedule of Compensation, Benefits and Other Payments to  
the Council's Executive Director**

**The Tangipahoa Voluntary Council on Aging  
Amite, Louisiana  
For the year ended June 30, 2018**

**Executive Director's (Agency Head) Name: Debi Fleming**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 48,506.00
Benefits-insurance (health and life)	17,070.78
Benefits-retirement	
Benefits-other - Fringe (LUTA, Worker's Comp, FICA)	4,629.08
Benefits-other (describe)	
Benefits-other (describe)	
Car allowance	
Vehicle provided by government (enter amount reported on W-2)	563.40
Per diem	
Reimbursement of Expenses	2,308.26
Travel	
Registration fees	350.00
Conference travel	
Housing	
Unvouchered expenses (example: travel advances, etc.)	
Special meals	
Other	

See auditor's report.

Dennis E. James, CPA  
Lyle E. Lambert, CPA  
Paul M. Riggs, Jr., CPA

J. Bryan Ehricht, CPA  
Samantha D. Wagner, CPA  
Christie J. Barado  
Megan E. Lynch  
B. Jacob Steib  
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Ramona K. Huckabee, EA



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LAMBERT RIGGS  
& ASSOCIATES, INC.  
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Member of  
American Institute of CPAs  
Society of Louisiana CPAs

Independent Auditor's 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*

The Board of Directors of  
The Tangipahoa Voluntary Council on Aging, Inc.  
Amite, Louisiana

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tangipahoa Voluntary Council on Aging Inc., Amite, Louisiana, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Tangipahoa Voluntary Council on Aging Inc.'s basic financial statements, and have issued our report thereon dated December 14, 2018.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Tangipahoa Voluntary Council on Aging's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tangipahoa Voluntary Council on Aging Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Tangipahoa Voluntary Council on Aging Inc.'s internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in

internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Tangipahoa Voluntary 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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tangipahoa Voluntary Council on Aging Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*James Lambert Riggs  
& Associates*

James, Lambert, Riggs and Associates, Inc.  
Hammond, Louisiana

December 14, 2018

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**The Tangipahoa Voluntary Council on Aging**  
**Amite, Louisiana**  
**For the Year Ended June 30, 2018**

**SUMMARY OF AUDITOR'S REPORTS**

- A. Type of auditor's report issued on the financial statements: Unmodified
- B. 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*:
- Internal control over financial reporting:
- Material weaknesses identified? No
  - Significant deficiencies identified? None were reported
- Noncompliance material to the financial statements identified? No
- C. Federal Awards:
- Auditor's reports on compliance for each major federal award program and on internal control over federal awards are not applicable because federal award expenditures were less than \$750,000 and a single audit was not required this year.
- D. Was a management letter issued for this year's audit? No

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**The Tangipahoa Voluntary Council on Aging**  
**Amite, Louisiana**  
**For the year ended June 30, 2018**

**Financial Statement Findings**

The auditor did not report any financial statement findings in his audit of the Council's FY 2017 financial statements last year. Therefore, management has nothing to report in this section.

**Major Federal Award Program Findings and Questioned Costs**

No matters were reported last year because last year's audit was not a Single Audit; therefore, there was no requirement for the auditor to report any findings with respect to major federal award programs.

**Management Letter**

None was issued last year.

**MANAGEMENT'S CORRECTIVE ACTION PLAN**  
**The Tangipahoa Voluntary Council on Aging**  
**Amite, Louisiana**  
**For the year ended June 30, 2018**

**To the following oversight agencies for audit:**

**State:** Legislative Auditor of the State of Louisiana; and  
Governor's Office of Elderly Affairs;

**Local:** Capital Area Agency on Aging - District II, Inc.

**Name and address of independent public accounting firm:** James, Lambert, Riggs & Associates, Inc., 401 East Thomas Street, Hammond, Louisiana 70401

**Audit period:** For the year ended June 30, 2018.

The findings from the June 30, 2018 schedule of findings and questioned costs are discussed below.

**FINANCIAL STATEMENT FINDINGS**

The auditor did not report any findings as a result of this year's audit. Therefore, management has nothing to report in this section.

If there are any questions, please call Debi Fleming, the Council's Executive Director, at (985) 748-7486 or [debi@tvcoa.com](mailto:debi@tvcoa.com).

**TANGIPAHOA VOLUNTARY COUNCIL ON AGING, INC.  
AMITE, LOUISIANA**

**STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT**

**FOR THE YEAR ENDED JUNE 30, 2018**

Dennis E. James, CPA  
Lyle E. Lambert, CPA  
Paul M. Riggs, Jr., CPA

J. Bryan Ehricht, CPA  
Samantha D. Wagner, CPA  
Christie J. Barado  
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## Independent Accountants' Report on Applying Agreed-Upon Procedures

To The Board of Directors of the Tangipahoa Voluntary Council on Aging, Inc.  
Amite, Louisiana and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Tangipahoa Voluntary Council on Aging, Inc., and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Tangipahoa Voluntary Council on Aging's management is responsible for those control and compliance areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are detailed in Schedule "A"

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the results of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*James Lambert Riggs  
& Associates*

James Lambert Riggs & Associates, Inc.  
Hammond, Louisiana

December 14, 2018

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

Results: The Council on Aging had written policies and procedures for budgeting.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Results: The Council on Aging had written policies and procedures for purchasing.

- c) **Disbursements**, including processing, reviewing, and approving

Results: The Council on Aging had written policies and procedures for disbursements.

- d) **Receipts / Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Results: The Council on Aging had written policies and procedures for receipts / collections.

- e) **Payroll / Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked

Results: The Council on Aging had written policies and procedures for payroll / personnel.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

Results: The Council on Aging had written policies and procedures for contracting.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

Results: The Council on Aging had written policies and procedures for credit cards.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Results: The Council on Aging had written policies and procedures for travel and expense reimbursements.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

**Results:** N/A

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure / EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements

**Results:** N/A

### Collections

2. Obtain a listing of deposit sites for the fiscal period where deposits for cash / checks / money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

**Results:** Management provided us with the required listing of cash collection locations as well as management's representation that the listing is complete.

3. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers / registers.

**Results:** Employees that are responsible for cash collections do not share cash drawers / registers. No exceptions were noted.

- b) Each employee responsible for collecting cash is not responsible for preparing / making bank deposits, unless another employee / official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

**Results:** Management provided us with written documentation for reconciling cash collections to the general ledger. An individual not responsible for cash collections performs this reconciliation.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee / official is responsible for reconciling ledger postings to each other and to the deposit.

**Results:** Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers.

4. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

**Results:** All employees who have access to cash are covered by an insurance policy for theft.

5. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

**Results:** No exceptions were noted.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

**Results:** No exceptions were noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

**Results:** No exceptions were noted.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

**Results:** No exceptions were noted.

- e) Trace the actual deposit per the bank statement to the general ledger.

**Results:** No exceptions were noted.

**Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)**

6. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

**Results:** Management provided us with the required listing of disbursements as well as management's representation that the listing is complete.

7. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order / making the purchase.

**Results:** No exceptions were noted.

b) At least two employees are involved in processing and approving payments to vendors.

**Results:** No exceptions were noted.

c) The employee responsible for processing payments is prohibited from adding / modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

**Results:** We observed that the employee responsible for processing payments is not prohibited from adding / modifying vendor files and another employee is not responsible for periodically reviewing changes to vendor files.

d) Either the employee / official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**Results:** No exceptions were noted.

8. For each location selected under #7 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

a) Observe that the disbursement matched the related original invoice / billing statement.

**Results:** No exceptions were noted.

b) Observe that the disbursement documentation included evidence (e.g., initial / date, electronic logging) of segregation of duties tested under #7, as applicable.

**Results:** No exceptions were noted.

December 17, 2018

James, Lambert, Riggs and Associates, Inc.  
402 E. Thomas St.  
Hammond, LA 70401

Attn: Christie Barado

Dear Ms. Barado:

Thank you for your attention to the Policies and Procedures of the Tangipahoa Voluntary Council in your 2018 audit field work.

In response to your observation that the employee responsible for processing payments is not prohibited from adding/modifying vendor files and another employee is not responsible for periodically reviewing changes to vendor file, the following action will be taken:

Procedures will be established to prohibit the employee responsible for processing payments from adding/modifying vendor files with another employee periodically reviewing changes to vendor file.

Please feel free to let me know if you have any other suggestions for improving the procedures of the Tangipahoa Voluntary Council on Aging.

Thank you.



Debi Fleming  
Executive Director

