

LIVINGSTON COUNCIL ON AGING
ANNUAL FINANCIAL STATEMENTS
JUNE 30, 2019
DENHAM SPRINGS, LOUISIANA

LIVINGSTON COUNCIL ON AGING

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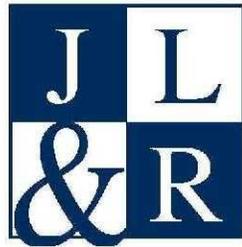
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Independent Auditor's Report

The Board of Directors of the
Livingston Council on Aging, Inc.
Denham Springs, 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 Livingston Council on Aging, Inc., as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Livingston 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 Livingston Council on Aging, Inc., as of June 30, 2019, 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 3 through 14 and budgetary comparison information on pages 45 through 52 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.

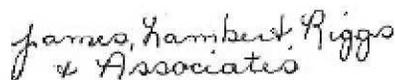
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Livingston 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 relate 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 6, 2019, on our consideration of the Livingston 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 Livingston 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 Livingston Council on Aging, Inc.'s internal control over financial reporting and compliance.



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

December 6, 2019

LIVINGSTON COUNCIL ON AGING

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

The following discussion and analysis of the Livingston Council on Aging's (the Council) financial performance presents a narrative overview and analysis of the Council's financial activities for the year ended June 30, 2019. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the basic financial statements, which follow this section.

Financial Highlights

- The Council's assets exceeded its liabilities at the close of fiscal year 2019 by \$4,136,233, which is an increase of \$72,240 or 2% from the last fiscal year.
- The Council's revenues increased by \$109,677, or about 6%.
- The Council's expenditures increased by \$202,399, or about 11%.
- The Council did not have any deficit fund balances.
- The unassigned fund balance of the General Fund increased by \$138,816.
- Net capital assets decreased by \$45,054 this year.
- The Council did not have any long-term debt at year-end.
- Administrative expenses increased this year by \$71,661 or about 22% from last year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's basic financial statements consists of four parts:

- (1) Management's discussion and analysis (this section)
- (2) The basic financial statements (government-wide, fund, and footnotes)
- (3) Required Supplementary financial information
- (4) Other Supplementary Information

Government-wide financial statements are comprised of the Statement of Net Position (Statement A) and the Statement of Activities (Statement 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 (Statement C) and the Statement of Revenues, Expenditures, and Changes in Fund Balances (Statement E), 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 most significant funds.

LIVINGSTON COUNCIL ON AGING

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2019

Basic Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements, which present different views about 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 (Statements 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.

The Statement of Net Position (Statement A) presents all assets and liabilities and the Council's financial position at year-end, whereas the Statement of Activities (Statement 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. The governmental activities of the Council include Health, Welfare, and Social Services, which are comprised of five primary programs that include supportive services, nutritional services, disease prevention and health promotion, family caregiver support, and transportation services for the non-elderly. There is also a line item for Other Senior Citizen Activities, which consists of a variety of services that are unrelated to one of the primary programs and individually do not represent very large expenses. Subprogram activities are also presented to help financial statement users 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 services are not required to pay for what they receive. If the Council charged fees to cover all or most of the cost of providing a service, that activity might be classified as a business-type activity. The Council does not have any business-type activities. However, there is one program (non-elderly transportation) where the Council charges a fee for its service, but management does not view this program as a business-type activity because the Council's intent is not to make a profit when providing the service. The Statement of Activities for this program clearly shows the deficit at which it operates despite the fees charged.

LIVINGSTON COUNCIL ON AGING

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2019

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 (Statements C and E) 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 difference between net position of governmental activities and fund balances of the governmental funds has been reconciled on Statement D. In addition, the difference between the change in fund balance for the governmental funds and the change in net position for the governmental activities has been reconciled on Statement F. These two reconciliations will facilitate the comparison between governmental activities and fund activities.

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 a property tax, some Governor's Office of Elderly Affairs (GOEA) grants, and public donations. General funds are often transferred to special revenue funds to help pay for expenditures that could not be covered by 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. 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 nonmajor governmental funds can be found on page 51. 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. For fiscal year 2019, management did not subjectively elevate any nonmajor fund to major fund status for purposes of financial statement presentation.

LIVINGSTON COUNCIL ON AGING

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2019

Notes to the Financial Statements

The notes provide additional information that should be read to ensure 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 21 and should be read before making assumptions or drawing conclusions about the Council's financial condition.

Required Supplementary Information

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 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted annual budget. The schedules compare the original and final 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 (RSI) by GASB Statement 34. However, GASB 34 requires it to be presented as the first item in this reporting package and not with GASB's other RSI, which is included later in this reporting package.

Other Supplementary Information

The GOEA has required the Council to present a combining schedule that provides details about nonmajor 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 51 and 52)

Act 706 of the 2014 Louisiana Legislative session amended Louisiana Revised Statute 24:513 A (3) to require a supplementary Schedule of Compensation, 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. (See page 53)

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Council's financial position. As of June 30, 2019, assets exceeded liabilities by \$4,136,233 whereas at the end of last year assets exceeded liabilities by \$4,063,993.

LIVINGSTON COUNCIL ON AGING

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2019

**Condensed Statement of Net Position
June 30, 2019 and 2018**

| | <u>Governmental Activities</u> | | |
|-------------------------------------|--------------------------------|---------------------|------------------|
| | <u>2019</u> | <u>2018</u> | <u>\$ Change</u> |
| Assets: | | | |
| Current Assets | \$ 3,187,543 | \$ 3,102,073 | \$ 85,470 |
| Other Assets | 113,569 | 130,901 | (17,332) |
| Capital Assets, Net of Depreciation | 907,852 | 952,906 | (45,054) |
| Total Assets | <u>4,208,964</u> | <u>4,185,880</u> | <u>23,084</u> |
| Liabilities: | | | |
| Current Liabilities | <u>72,731</u> | <u>121,887</u> | <u>(49,156)</u> |
| Total Liabilities | <u>72,731</u> | <u>121,887</u> | <u>(49,156)</u> |
| Net Position: | | | |
| Net Investment in Capital Assets | 907,852 | 952,906 | (45,054) |
| Restricted | 4,041 | 8,231 | (4,190) |
| Unrestricted (Deficit) | <u>3,224,340</u> | <u>3,102,856</u> | <u>121,484</u> |
| Total Net Position | <u>\$ 4,136,233</u> | <u>\$ 4,063,993</u> | <u>\$ 72,240</u> |

Unrestricted net position is about 78% and 76% of total net position as of June 30, 2019, and 2018, respectively. Unrestricted net position is important because it provides management the necessary resources to adapt to changes in the economy, emergencies, unexpected needs, and reduction in or termination of grant revenues by governmental agencies.

Restricted net position is about .10% and .20% of total net position as of June 30, 2019, and 2018, respectively. 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.

Net investment in capital assets is presented net of any related outstanding debt to acquire them. There is, however, no debt to be subtracted from the Council's capital assets. The Council's policy is to acquire capital assets by paying cash and avoiding debt. This policy helps ensure that a decrease in the Council's future revenues will not impact its ability to provide a certain level of service to clients and program participants. Net position invested in capital assets equals about 22% and 23% at fiscal year 2019 and 2018, respectively.

Total assets increased by \$23,084 this year. At June 30, 2019 about 74% of the Council's total assets are in the form of cash and investments. The Council's capital assets at June 30, 2019 were \$45,054 less than the corresponding amount at June 30, 2018. The increase in total assets in fiscal year 2019 was primarily related to increases in current assets.

LIVINGSTON COUNCIL ON AGING

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2019

Total liabilities are comprised of routine accounts payable, credit card charges, and a variety of customary payroll related expenses and withholdings at the end of both years.

The table presented below summarizes the revenues and expenses that caused the changes in net position of the Council's governmental activities for fiscal year 2019 and 2018, respectively.

Condensed Statement of Changes in Net Position For the Years Ended June 30, 2019 and 2018

| | <u>Governmental Activities</u> | | <u>\$ Change</u> | <u>% Change</u> |
|---|--------------------------------|---------------------|------------------|-----------------|
| | <u>2019</u> | <u>2018</u> | | |
| Revenues: | | | | |
| Program Revenues: | | | | |
| Charges for Services | \$ 1,559 | \$ 4,173 | \$ (2,614) | (63%) |
| Operating Grants and Contributions | 754,032 | 736,902 | 17,130 | 2% |
| Capital Grants and Contributions | 69,842 | - | 69,842 | 100% |
| General Revenues: | | | | |
| Property Taxes, Net of On-behalf Payments | 1,021,372 | 968,159 | 53,213 | 5% |
| Unrestricted Grants and Contributions | 172,522 | 219,659 | (47,137) | (21%) |
| Other General Revenues | 52,747 | 33,504 | 19,243 | 57% |
| Total Revenues | <u>2,072,074</u> | <u>1,962,397</u> | <u>109,677</u> | <u>6%</u> |
| Expenses: | | | | |
| Supportive Services: | | | | |
| Transportation for Elderly | 477,613 | 488,232 | (10,619) | (2%) |
| Other Supportive Services | 213,973 | 185,719 | 28,254 | 15% |
| Transportation for Non-Elderly | 14,914 | 4,952 | 9,962 | 201% |
| Nutrition Services: | | | | |
| Congregate Meals | 355,459 | 389,046 | (33,587) | (9%) |
| Home Delivered Meals | 467,085 | 359,157 | 107,928 | 30% |
| Family Caregiver Support | 48,434 | 30,004 | 18,430 | 61% |
| Other Social Programs | 28,929 | 18,559 | 10,370 | 56% |
| Direct Administrative Expenses | 393,427 | 321,766 | 71,661 | 22% |
| Total Expenses | <u>1,999,834</u> | <u>1,797,435</u> | <u>202,399</u> | <u>11%</u> |
| Change in Net Position | 72,240 | 164,962 | (92,722) | (56%) |
| Net Position - Beginning of Year | <u>4,063,993</u> | <u>3,899,031</u> | <u>164,962</u> | <u>4%</u> |
| Net Position - End of Year | <u>\$ 4,136,233</u> | <u>\$ 4,063,993</u> | <u>\$ 72,240</u> | <u>2%</u> |

Governmental activities increased the Council's overall net position by \$72,240 this year and increased the Council's net position by \$164,962 last year. The increase in net position this year was (\$92,722) less than the increase in net position for last year mainly because of an increase in home delivered meal services expenses of \$107,928 from last year. Total revenues increased \$109,677 and total expenses increased \$202,399 from last year.

LIVINGSTON COUNCIL ON AGING

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2019

The largest source of revenue this year was from a local property tax. The actual gross proceeds of the property tax were \$1,063,520 for this year (\$1,007,999 for fiscal year 2018). However, the Livingston Parish Sheriff withheld \$42,148 (\$39,840 for fiscal year 2018) of the gross proceeds to pay for the Council's pro-rata share of various retirement plan expenses for other governmental agencies. In the Statement of Activities, the net proceeds of the property taxes have been presented as general revenues because this money can be used to benefit any of the Council's programs. In addition, when presenting this source of revenue on Statement B, management has elected to offset the gross property tax amount with the amounts kept by the Sheriff rather than include them as a functional or program expense because they are not true functional or program expenses of the Council.

The second largest source of revenue this year is from operating grants and contributions of \$754,032 (\$736,902 fiscal year 2018). The fiscal year 2019 total is comprised of operating grants from GOEA of \$515,561 and the Louisiana Department of Transportation and Development (DOTD) of \$203,713, plus general public contributions of \$34,758. These revenues must be used for the purposes for which they were given or granted to the Council and have been *matched* to the function and program to which they relate on the government-wide Statement of Activities (Statement B).

During the current year, the Council received capital grants of \$68,842 from FEMA related to flood recovery. FEMA covered 90% of the cost of two vehicles purchased. The Council also received program revenues in the form of charges for services. Charges for services are derived from cash fares to transport non-elderly persons. Cash fares for fiscal year 2019 were \$1,559 compared to \$4,173 in fiscal year 2018.

General revenues include unrestricted operating grants and contributions of \$172,522 for fiscal year 2019 (\$219,659 for fiscal year 2018). The fiscal year 2019 amount consists of grants from GOEA of \$166,891 plus general public contributions of \$5,631. The fiscal year 2018 amount consists of grants from GOEA of \$168,690, other flood recovery grants of \$38,745 plus general public contributions of \$12,224.

Other general revenues consist of interest income (\$62,562 for fiscal year 2019 versus \$35,295 for fiscal year 2018) and a loss on disposition of capital assets of \$11,550.

The expenses in the table on page 8 have been presented by primary programs, with details about significant 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. Total expenses increased \$202,399 over the prior year. Total personnel expense increased approximately \$86,000 due to filling open positions. Total operating services expenses decreased approximately \$28,000 related to approximate decreases in auto rental of \$36,000, accounting of \$22,000, vehicle maintenance of \$4,000, and workmen's comp of \$6,000 offset by increases of approximately \$20,000 in vehicle insurance and \$21,000 in building maintenance. Total operating supplies expenses decreased approximately \$15,000 related to approximate decreases in office supplies of \$3,000 and special supplies of \$24,000 offset by increases of approximately \$6,000 in facility supplies and \$5,000 in vehicle fuel and supplies. Total other cost expenses increased approximately \$9,000 related an increase in audit allotment fees. Total full service expenses increased approximately

LIVINGSTON COUNCIL ON AGING

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2019

\$35,000 related to approximate increases in chore expense of \$4,000, in-home respite expenses of \$14,000, and personal care expenses of \$20,000 offset by a decrease of approximately \$5,000 in legal expenses. Total meals expenses increased approximately \$93,000 related to approximate increases in no-edibles expense of \$53,000, and raw food of \$48,000 offset by a decrease of approximately \$8,000 in emergency meals expenses. The increase in meals is related to the increase in home delivered meals. Also, related to the increase in total expenses are increases of approximately \$22,000 related to increases in depreciation expense of \$12,000 and amortization of intergovernmental payments set up as prepaid expenses of \$10,000. Both of these expense increases are related to acquisitions of new buses and other items since the 2016 flood.

When reviewing the government-wide Statement of Activities, there are relationships that are important to understanding the Council's operations. As you can see, the Council's primary activities in both years are transportation and nutrition services. The Council's main focus is to meet the needs of the elderly citizens of Livingston Parish and right now these two services are in the greatest demand. There is also a high demand for in-home type services and services geared to help individuals stay in their homes and remain in the community. These in-home services include chore, personal care, home assistance, and family caregiver type services.

Another area of interest on the Statement of Activities (Statement B) relates to the *Total Governmental Activities* column wherein the Council illustrates that all of the program and subprogram services have more expenses than revenues. In other words, the Council's programs and subprograms are not self-supporting. However, on occasion, one might *break even* or even make a slight *profit*. The Council's ability to support all programs and subprograms relies heavily on general revenues, particularly the local property tax. This financial relationship is expected and budgets are prepared accordingly. Historically, general revenues are used to cover the excess of expenses over revenues in these programs. Without the property tax revenue and 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 future demands.

An indication of how money is used efficiently or inefficiently can be gained by comparing the amount of administration expenses from year to year, as well as calculating the percentage of administration expenses in relation to total expenses. Administration expenses include indirect type costs, which are costs not specifically identified with a particular program but benefit all programs. Administrative expenses this year exceeded last year's by \$71,661. For this year, administrative expenses represented about 19.5% of total expenses whereas last year they were 18%. When compared to other councils on aging in Louisiana, both percentages compare favorably because they are much lower than the state-wide average.

LIVINGSTON COUNCIL ON AGING

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2019

Financial Analysis of the Council's Governmental Funds

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, an 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 \$3,177,509, an increase of \$130,922 when compared to last year. The unassigned fund balance component of the General Fund was \$3,110,771 and is available for spending at the Council's discretion. The remainder of the General Fund balance is either nonspendable (\$62,697) or restricted for specific purposes (\$4,041). There were no special revenue funds with a fund balance at year-end, which is expected for this type of fund.

Revenues

The combined fund revenues increased \$120,683 this year, as shown in the table below.

| | | % of 2019 | | % of 2018 | |
|----------------------|---------------------|----------------|---------------------|----------------|-------------------|
| | FY 2019 | Total | FY 2018 | Total | \$ Change |
| Intergovernmental | \$ 955,600 | 44.95% | \$ 910,847 | 45.43% | \$ 44,753 |
| Property Taxes | 1,063,520 | 50.03% | 1,007,999 | 50.27% | 55,521 |
| Public Support | 40,389 | 1.90% | 45,714 | 2.28% | (5,325) |
| Program Service Fees | 1,559 | 0.07% | 4,173 | 0.21% | (2,614) |
| Interest Income | 62,562 | 2.94% | 35,295 | 1.76% | 27,267 |
| Miscellaneous | 2,142 | 0.11% | 1,061 | 0.05% | 1,081 |
| Total Revenues | <u>\$ 2,125,772</u> | <u>100.00%</u> | <u>\$ 2,005,089</u> | <u>100.00%</u> | <u>\$ 120,683</u> |

The intergovernmental revenue in fiscal year 2019 increased \$44,753 primarily because the Council received \$69,842 from FEMA related to the Great Flood of 2016, an increase from \$38,745 received in 2018. The increase in property tax revenue this year is due to a slight increase in the overall value of the property tax base within Livingston Parish. As the values of the properties increase so do the related property taxes. There were no large donations in the current year. Interest income increased significantly this year due to the larger balance in the LAMP (money market) account and a higher interest rate.

LIVINGSTON COUNCIL ON AGING

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2019

Expenditures

Total expenditures decreased by \$124,816 this year, as shown in the table below.

| | FY 2019 | % of 2019 Total | FY 2018 | % of 2018 Total | \$ Change |
|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|
| Personnel | \$ 684,251 | 34.28% | \$ 598,227 | 28.20% | \$ 86,024 |
| Fringe | 100,060 | 5.01% | 99,292 | 4.68% | 768 |
| Travel | - | 0.00% | 315 | 0.01% | (315) |
| Operating Services | 252,408 | 12.64% | 279,310 | 13.17% | (26,902) |
| Operating Supplies | 106,490 | 5.33% | 122,329 | 5.77% | (15,839) |
| Other Costs | 48,730 | 2.44% | 39,655 | 1.87% | 9,075 |
| Utility Assistance | 7,070 | 0.35% | 6,736 | 0.32% | 334 |
| Full Service | 136,075 | 6.82% | 101,316 | 4.78% | 34,759 |
| Meals | 541,514 | 27.13% | 448,818 | 21.16% | 92,696 |
| Capital Outlay | 77,604 | 3.89% | 317,183 | 14.95% | (239,579) |
| Intergovernmental | 42,148 | 2.11% | 107,985 | 5.09% | (65,837) |
| | <u>\$ 1,996,350</u> | <u>100.00%</u> | <u>\$ 2,121,166</u> | <u>100.00%</u> | <u>\$ (124,816)</u> |

Personnel expense increased \$86,024 due to filling open positions. Total operating services expenses decreased \$26,902 related to approximate decreases in auto rental of \$36,000, accounting of \$22,000, vehicle maintenance of \$4,000, and workmen's comp of \$6,000 offset by increases of approximately \$20,000 in vehicle insurance and \$21,000 in building maintenance. The increase in vehicle insurance and decrease in vehicle maintenance is related to the acquisition of new buses the past two years to replace the older buses destroyed in the 2016 flood. Total operating supplies expenses decreased \$15,839 related to approximate decreases in office supplies of \$3,000 and special supplies of \$24,000 offset by increases of approximately \$6,000 in facility supplies and \$5,000 in vehicle fuel and supplies. Total other cost expenses increased \$9,075 related an increase in audit allotment fees. Total full-service expenses increased \$34,759 related to approximate increases in chore expense of \$4,000, in-home respite expenses of \$14,000, and personal care expenses of \$20,000 offset by a decrease of approximately \$5,000 in legal expenses. Total meals expenses increased \$92,696 related to approximate increases in no-edibles expense of \$53,000 and raw food of \$48,000 offset by a decrease of approximately \$8,000 in emergency meals expenses. The increase in meals is related to the increase in home delivered meals. Capital outlay expenditures decreased \$239,579 in fiscal year 2019 because the Council acquired property and a building and renovated the building for the Livingston location in 2018. Capital outlay expenditures vary from year to year based on the needs of the Council and are not recurring like the other types of expenditures. So, one year's expenditures may be significant whereas the succeeding year's expenditures may not be very much. In the current year, intergovernmental expenditures decreased \$65,837 primarily related to the match payments made on 8 new buses acquired during 2018. There were no such match payments required in 2019. The buses belong to the Livingston Parish Council (LPC) and the Council on Aging using the buses.

LIVINGSTON COUNCIL ON AGING

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2019

General Fund Budgetary Highlights

A schedule presenting the original and amended budgets and the actual results for the General Fund can be found in the Required Supplementary Information section of this report on page 45.

When comparing the amended budget to the actual results, the Council had an overall net favorable variance of \$57,494. Some of the noteworthy reasons behind this net favorable variance can be summed up as follows:

- The total actual expenditures were \$2,100 less than budgeted.
- The total actual revenues were \$36,562 more than anticipated.
- The total other financing sources (uses) were \$23,032 more than budgeted.

The Council had one budget amendment during fiscal year 2019. Overall, the original budget projected an operating deficit of \$520,477 whereas the amended budget projected an operating surplus of \$73,428.

Capital Assets and Debt Administration

The Council's investment in capital assets for its governmental activities as of June 30, 2019, was \$907,852, whereas the capital asset amount for June 30, 2018 was \$952,906. The details of the Council's investment in capital assets are as set forth in the table below.

| | <u>Capital Assets, Net of Depreciation</u> | | |
|-------------------------|--|-------------------|---------------------------------|
| | <u>FY 2019</u> | <u>FY 2018</u> | <u>Increase/ (Decrease)</u> |
| Land* | \$ 148,045 | \$ 148,045 | \$ - |
| Leasehold Improvements | 356,235 | 377,432 | (21,197) |
| Buildings | 168,397 | 173,285 | (4,888) |
| Furniture and Equipment | 39,901 | 55,484 | (15,583) |
| Vehicles | 195,274 | 198,660 | (3,386) |
| Total Capital Assets | <u>\$ 907,852</u> | <u>\$ 952,906</u> | <u>\$ (45,054)</u> |

* Land is not subject to depreciation whereas the other capital assets are depreciated.

The net decrease in Capital Assets is a result of the Council acquiring \$77,604 of capital assets during the year, which were offset by annual depreciation of \$109,608 and the net book value (\$13,050) of capital assets disposed of during the year. The capital asset additions this year were:

- 2 Ford vans (\$77,604)

LIVINGSTON COUNCIL ON AGING

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2019

At June 30, 2019 and 2018, the Council on Aging had 18 vehicles in its transportation fleet. The LPC owns 9 of the 18 vehicles used by the Council on Aging. Only the 9 vehicles owned by the Council on Aging are included within the capital asset amounts on the Council on Aging's books. The vehicles owned by the LPC are recorded on the LPC's books. All 18 vehicles were operational at year- end.

Because capital asset acquisitions can require a large outlay of funds, the Council's management carefully considers the needs of the Council and the benefits of the purchase before a decision is made to buy high cost capital assets.

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

Economic Factors, Other Conditions, and Next Year's Budget

For next year, management has initially budgeted \$2,225,243 in revenues and \$2,271,354 in expenditures for the Council's programs. Accordingly, management has forecasted an excess of expenditures over revenues of \$46,110 for next year. The Council has ample unassigned fund balance within its General Fund to absorb the deficit spending amount. The main reason for this forecasted deficit next year is because the Council has plans to expand its senior center in Denham Springs and pay for the expansion with savings rather than borrow the money.

The Council receives most of its funding from property taxes and 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 services 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 fiscal year 2020 and management is unaware of any significant adverse changes to the funding levels or terms of these grants and contracts.

The Council's budget for fiscal year 2020 was approved by its board on May 23, 2019. In addition, the GOEA has approved the Council's budget for fiscal year 2020.

Contacting the Council's Management

This financial report is designed to provide a general overview of the Council's finances for all those with an interest in the Council's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Melane Kay Granger, the Executive Director at the Council's main office located at 949 Government Drive, Denham Springs, LA 70726. The phone number for the Livingston Council on Aging is (225) 664-9343.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LIVINGSTON COUNCIL ON AGING

STATEMENT OF NET POSITION

JUNE 30, 2019

ASSETS

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| Cash and Equivalents | \$ 251,637 |
| Investments | 2,882,905 |
| Receivables: | |
| Livingston Parish Sheriff - Property Taxes | 6,074 |
| Livingston Parish Council (Section 5311 Grant) | 46,907 |
| Other Receivables | 20 |
| Prepaid Expenses | 113,569 |
| Capital Assets: | |
| Land | 148,045 |
| Other Capital Assets (Net of Accumulated Depreciation) | <u>759,807</u> |
| Total Assets | <u>4,208,964</u> |

LIABILITIES

| | |
|--|--------------|
| Accounts Payable | 67,962 |
| Accrued Expenses and Payroll Liabilities | <u>4,769</u> |
| Total Liabilities | 72,731 |

NET POSITION

| | |
|----------------------------------|----------------------------|
| Net Investment in Capital Assets | 907,852 |
| Restricted for: | |
| Utility Assistance | 4,041 |
| Unrestricted | <u>3,224,340</u> |
| Total Net Position | <u><u>\$ 4,136,233</u></u> |

The accompanying notes are an integral part of this statement.

LIVINGSTON COUNCIL OF AGING

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

| | Direct Expenses | Indirect Expenses | Program Revenues | | | Total Governmental Activities - Net (Expense) Revenues and Changes in Net Position |
|---|---------------------|----------------------|-------------------------|--|--|---|
| | | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| FUNCTIONS/PROGRAMS | | | | | | |
| Governmental Activities: | | | | | | |
| Health, Welfare & Social Services | | | | | | |
| Supportive Services | | | | | | |
| Transportation of the Elderly | \$ 477,613 | \$ 168,810 | \$ - | \$ 290,022 | \$ 34,981 | \$ (321,420) |
| Chore | 31,016 | - | - | 5,468 | - | (25,548) |
| Personal Care | 48,105 | 9,159 | - | 8,402 | - | (48,862) |
| Legal | 6,401 | - | - | 4,865 | - | (1,536) |
| Information and Assistance | 29,549 | 5,678 | - | 5,209 | - | (30,018) |
| Outreach | 2,049 | 394 | - | 361 | - | (2,082) |
| Recreation | 69,150 | 59,333 | - | - | - | (128,483) |
| Material Aid | 11,487 | 2,207 | - | 2,025 | - | (11,669) |
| Home Assistance | 2,998 | 576 | - | 529 | - | (3,045) |
| Wellness | 5,502 | 4,024 | - | - | - | (9,526) |
| Utility Assistance | 7,716 | - | - | 334 | - | (7,382) |
| Transportation Services - Non Elderly | | | | | | |
| General Public | 14,914 | 3,129 | 1,559 | - | - | (16,484) |
| Nutrition Services: | | | | | | |
| Congregate Meals | 355,459 | 78,410 | - | 192,104 | - | (241,765) |
| Home Delivered Meals | 467,085 | 17,957 | - | 157,841 | 34,861 | (292,340) |
| Disease Prevention and Health Promotion | 372 | 2,825 | - | 2,904 | - | (293) |
| Family Caregiver Support | 48,434 | 4,153 | - | 39,820 | - | (12,767) |
| Other Senior Citizen Activities | 28,557 | 192 | - | 7,568 | - | (21,181) |
| Administration | 393,427 | (356,847) | - | 36,580 | - | - |
| Total Governmental Activities | <u>\$ 1,999,834</u> | <u>\$ -</u> | <u>\$ 1,559</u> | <u>\$ 754,032</u> | <u>\$ 69,842</u> | <u>\$ (1,174,401)</u> |
| General Revenues | | | | | | |
| Property Taxes, Net of \$42,148 for On-behalf Payments | | | | | | 1,021,372 |
| Grants and Contributions not Restricted to Specific Purposes: | | | | | | 172,522 |
| Interest Income | | | | | | 62,562 |
| Loss on Disposition of Capital Assets | | | | | | (11,550) |
| Miscellaneous | | | | | | 1,735 |
| Total General Revenues | | | | | | <u>1,246,641</u> |
| Change in Net Position | | | | | | 72,240 |
| Net Position - Beginning of Year | | | | | | <u>4,063,993</u> |
| Net Position - End of Year | | | | | | <u>\$ 4,136,233</u> |

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

LIVINGSTON COUNCIL ON AGING

BALANCE SHEET -
GOVERNMENTAL FUNDS

JUNE 30, 2019

| | General Fund | Special Revenue Funds | | | Nonmajor Governmental Funds | Total Governmental Funds |
|--|---------------------|-----------------------|-----------------------|-----------------------|-----------------------------------|--------------------------------|
| | | Title III B Fund | Title III C-1 Fund | Title III C-2 Fund | | |
| ASSETS | | | | | | |
| Cash and Equivalents | \$ 251,637 | \$ - | \$ - | \$ - | \$ - | \$ 251,637 |
| Investments | 2,882,905 | - | - | - | - | 2,882,905 |
| Receivables: | | | | | | |
| Livingston Parish Sheriff - Property Taxes | 6,074 | - | - | - | - | 6,074 |
| Livingston Parish Council - Section 5311 Grant | - | 46,907 | - | - | - | 46,907 |
| Other Receivables | 20 | - | - | - | - | 20 |
| Prepaid Expenditures | 62,697 | - | - | - | - | 62,697 |
| Due from Other Funds | 46,907 | 8,478 | 14,067 | 29,494 | 4,306 | 103,252 |
| Total Assets | <u>\$ 3,250,240</u> | <u>\$ 55,385</u> | <u>\$ 14,067</u> | <u>\$ 29,494</u> | <u>\$ 4,306</u> | <u>\$ 3,353,492</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts Payable | \$ 11,617 | \$ 8,478 | \$ 14,067 | \$ 29,494 | \$ 4,306 | \$ 67,962 |
| Accrued Expenses and Payroll Liabilities | 4,769 | - | - | - | - | 4,769 |
| Due to Other Funds | 56,345 | 46,907 | - | - | - | 103,252 |
| Total Liabilities | 72,731 | 55,385 | 14,067 | 29,494 | 4,306 | 175,983 |
| Fund Balances: | | | | | | |
| Nonspendable: | | | | | | |
| Prepaid Expenditures | 62,697 | - | - | - | - | 62,697 |
| Restricted For: | | | | | | |
| Utility Assistance | 4,041 | - | - | - | - | 4,041 |
| Unassigned | 3,110,771 | - | - | - | - | 3,110,771 |
| Total Fund Balances | 3,177,509 | - | - | - | - | 3,177,509 |
| Total Liabilities and Fund Balances | <u>\$ 3,250,240</u> | <u>\$ 55,385</u> | <u>\$ 14,067</u> | <u>\$ 29,494</u> | <u>\$ 4,306</u> | <u>\$ 3,353,492</u> |

The accompanying notes are an integral part of this statement.

LIVINGSTON COUNCIL ON AGING

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2019

| | |
|--|----------------------------|
| Total Fund Balances - Governmental Funds | \$ 3,177,509 |
| Cost of Capital Assets | 1,220,447 |
| Less: Accumulated Depreciation | <u>(312,595)</u> |
| | 907,852 |
| Prepaid Items | <u>50,872</u> |
| Net Position | <u><u>\$ 4,136,233</u></u> |

The accompanying notes are an integral part of this statement.

LIVINGSTON COUNCIL ON AGING

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

FOR THE YEAR ENDED JUNE 30, 2019

| | General Fund | Special Revenue Funds | | | Nonmajor Governmental Funds | Total Governmental Funds |
|--|---------------------|-----------------------|-----------------------|-----------------------|-----------------------------------|--------------------------------|
| | | Title III B Fund | Title III C-1 Fund | Title III C-2 Fund | | |
| Revenues: | | | | | | |
| Intergovernmental: | | | | | | |
| Governor's Office of Elderly Affairs | \$ 203,471 | \$ 112,192 | \$ 174,224 | \$ 149,434 | \$ 42,724 | \$ 682,045 |
| Livingston Parish Council (Section 5311) | - | 203,713 | - | - | - | 203,713 |
| Flood Recovery Grants | 69,842 | - | - | - | - | 69,842 |
| Program Service Fees | 1,559 | - | - | - | - | 1,559 |
| Property Taxes | 1,063,520 | - | - | - | - | 1,063,520 |
| Public Support - Restricted | 7,568 | 1,310 | 17,539 | 8,341 | - | 34,758 |
| Public Support - Unrestricted | 5,631 | - | - | - | - | 5,631 |
| Interest Income | 62,562 | - | - | - | - | 62,562 |
| Miscellaneous | 1,735 | - | 341 | 66 | - | 2,142 |
| Total Revenues | <u>1,415,888</u> | <u>317,215</u> | <u>192,104</u> | <u>157,841</u> | <u>42,724</u> | <u>2,125,772</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Personnel | 95,633 | 362,174 | 150,308 | 64,502 | 11,634 | 684,251 |
| Fringe | 16,466 | 55,146 | 18,083 | 8,880 | 1,485 | 100,060 |
| Operating Services | 53,550 | 134,543 | 44,241 | 18,008 | 2,066 | 252,408 |
| Operating Supplies | 15,385 | 57,343 | 27,569 | 6,084 | 109 | 106,490 |
| Other Costs | 19,544 | 22,961 | 4,616 | 1,206 | 403 | 48,730 |
| Utility Assistance | 5,760 | 1,310 | - | - | - | 7,070 |
| Full Service | 7,614 | 87,546 | 1,400 | 150 | 39,365 | 136,075 |
| Meals | - | - | 172,536 | 368,978 | - | 541,514 |
| Capital Outlay | 77,604 | - | - | - | - | 77,604 |
| Intergovernmental | 42,148 | - | - | - | - | 42,148 |
| Total Expenditures | <u>333,704</u> | <u>721,023</u> | <u>418,753</u> | <u>467,808</u> | <u>55,062</u> | <u>1,996,350</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,082,184 | (403,808) | (226,649) | (309,967) | (12,338) | 129,422 |
| Other Financing Sources (Uses): | | | | | | |
| Proceeds on Disposal of Capital Assets | 1,500 | - | - | - | - | 1,500 |
| Transfers In | - | 403,808 | 226,649 | 309,967 | 12,338 | 952,762 |
| Transfers Out | (952,762) | - | - | - | - | (952,762) |
| Total Other Financing Sources (Uses) | <u>(951,262)</u> | <u>403,808</u> | <u>226,649</u> | <u>309,967</u> | <u>12,338</u> | <u>1,500</u> |
| Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses | 130,922 | - | - | - | - | 130,922 |
| Fund Balance at Beginning of Year | <u>3,046,587</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,046,587</u> |
| Fund Balance at End of Year | <u>\$ 3,177,509</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,177,509</u> |

The accompanying notes are an integral part of this statement.

LIVINGSTON COUNCIL ON AGING

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

FOR THE YEAR ENDED JUNE 30, 2019

| | |
|---|------------|
| Total Net Change in Fund Balances - Governmental Funds | \$ 130,922 |
| Amounts Reported for Governmental Activities in the Statement of Activities are Different Because: | |
| <p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p> | |
| Capital Outlays Which Were Capitalized | 77,604 |
| Depreciation Expense | (109,608) |
| Add accumulated depreciation on capital assets retired during the year | 8,700 |
| Less cost basis of capital assets retired during the year | (21,750) |
| <p>Funds expended as local matching funds on capital assistance grants, which result in another government obtaining title to the capital assets acquired under the grant, are reported as intergovernmental expenditures in governmental funds. Because the Council gets to use the capital assets, the Council records the amounts paid in the Statement of Net Position as a prepaid expense, which will be amortized over the estimated useful lives of the capital assets.</p> | |
| Amortization of Intergovernmental Payments set up as Prepaid Expense | (13,628) |
| Change in Net Position of Governmental Activities | \$ 72,240 |

The accompanying notes are an integral part of this statement.

LIVINGSTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Introduction

The purpose of the Livingston Council On Aging (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 Livingston 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), 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 Livingston Parish.

The primary services provided by the Council to the elderly residents of Livingston Parish include transportation, chore, personal care, legal assistance, information and assistance, outreach, recreation, material aid, home assistance, wellness, utility assistance, congregate and home delivered meals, family caregiver support, and disease prevention and health promotion. The Council also provides transportation services to the general public (no age restrictions).

1. Summary of Significant Accounting Policies and Nature of Operations

A. Financial 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 GOEA (La. RS. 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. RS.) 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 Council is a non-profit, quasi-public corporation. The Council received its charter from the Governor of the State of Louisiana on June 26, 1973, and subsequently incorporated on October 22, 1973, under the provisions of Title 12, Chapter 2 of the Louisiana Revised Statutes.

LIVINGSTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

Governmental Accounting Standards Board (GASB) Statement No. 61 established criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Council is not a component unit of another primary government, nor does it have any component units that are related to it. Since the Council has no component units, these financial statements include only information on the primary government.

B. Basis of Presentation

The financial statements of the Council have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards. These statements established standards for external financial reporting for all state and local governmental entities which includes a balance sheet, a statement of revenues, expenses and changes in net position and a statement of cash flows. The more significant of these accounting policies are described below, and where appropriate, subsequent pronouncements will be referenced.

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.

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 and property taxes.

LIVINGSTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

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 – net investment in capital assets; 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. Charges for services represent program revenues obtained by the Council when it renders services that are provided by a specific function or program to people or other entities. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants. Property taxes, contributions, 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.

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 with 2 CFR Part 200 - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The Statement of Activities shows this allocation in a separate column labeled *indirect expenses*. GOEA provides administrative grant funds to help the Council pay for a portion of its indirect costs. As a result, only the indirect costs in excess of the GOEA administrative funds are allocated to the Council's other functions and programs.

Fund Financial Statements

The daily accounts and operations of the Council are 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.

LIVINGSTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

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 statement users. For this year, management did not choose to include any other funds as major funds. The nonmajor funds are summarized (aggregated) 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.

Governmental Funds

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

General Fund - The General Fund is the general 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 are brief descriptions of the primary programs and 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 the Council's discretion. Property tax revenues represent the largest component of the Council's local funding. Expenditures to acquire fixed assets, and expenditures for costs not allowed by another program due to budget limitations or the nature of the expenditure, are recorded in the local program. Because most local funds are unrestricted, 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.

LIVINGSTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

PCOA Funding - Parish Council on Aging (PCOA) funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the GOEA. The Council may use these funds at its discretion in any program provided the program is benefiting people who are at least 60 years old.

Area Agency Administration (AAA) Funding - Each fiscal year GOEA provides the Council with funds to help pay for the costs of administering the Council's special programs for the aging. The amount of funding is not enough to pay for all the indirect administrative costs. As a result, the Council will consume the GOEA grant funds first when paying for administrative costs and then allocate the excess administrative costs to other programs using a formula based on the percentage each program's direct costs bears to direct costs for all programs. In addition, due to program restrictions, administrative costs are not allocated to certain funds and programs.

Senior Center and Supplemental Senior Center Funding - Grant funds are appropriated annually for the Council and remitted to the Council by GOEA. These grant funds can be used at management's discretion to pay for congregate related social 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. To obtain supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community, the elderly person will come to a senior center. The main senior center for Livingston Parish is located in Denham Springs. Other centers, which are primarily congregate meal sites, are located in Livingston, Springfield, and Maurepas.

Non-elderly Transportation Program Services - The Council provides various transportation services to the residents of Livingston Parish who are not 60 years old for a fee. The fee ranges from \$5.00 to \$8.00 per one-way trip and is based on whether the trip is in the Parish or out of the Parish. The Council is able to provide this service at low fees because the cost of each ride is subsidized partly by a federal rural transportation grant administered by DOTD and partly by other General Fund revenues. The revenues 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.

LIVINGSTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

Utility Assistance - In past years, the Council participated in utility assistance programs that were sponsored by local utility companies. However, the Council does not receive funds from the utility companies any more. For this year, the Council had some unspent funds from these programs that had not been used to assist those who qualified for utility assistance. Accordingly, it decided to continue to provide utility assistance to use the remaining funds until they become exhausted.

No indirect or administration expenses are paid for with restricted donations intended for utility assistance. Only direct financial aid is permitted with these funds. During the year, the Council was able to provide 120 units of service to 75 different people with these funds. The Council's general policy is to provide utility assistance of \$100 every seventh month per eligible person per year. Emergencies or unusual circumstances may permit additional assistance.

Recreation and Wellness Services - Recreation services consist of bingo and special events (Fun Day, Veteran's Day, Christmas and Easter Party, Mother's and Father's Day, Valentine's Day, Annual Meeting, etc). Wellness services consist of a health fair, exercise classes provided by the center employees to the seniors in attendance, blood pressure checks and occasionally speakers will come in to discuss current health related issues.

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 expenditures 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 accounts for funds used to provide various units of supportive social services to the elderly. There are three main sources of revenues that form the basis of this fund: a grant from GOEA for special programs for the aging, *Title III, Part B - Grants for Supportive Services and Senior Centers*; a grant from the Louisiana Department of Transportation and Development (DOTD), commonly referred to as *Section 5311*, which is passed through the Livingston Parish Council (LPC) to the Council for rural transportation services and reimburses the Council 50% of the cost of providing rural transportation services; and restricted, voluntary public support from persons who actually received elderly transportation services.

LIVINGSTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

Title III C-1 Fund - The Title III C-1 Fund accounts for funds that are used to provide nutritional, congregate meals to people age 60 or older in strategically located centers throughout Livingston Parish. The Council maintains congregate meal sites in Denham Springs, Maurepas, Livingston, and Springfield. There are three main sources of revenues that form the basis of this fund: a grant from GOEA for special programs for the aging, *Title III, Part C-1 - Nutrition Services; Nutrition Services Incentive Program* (NSIP) funds provided by GOEA to supplement the congregate meals program; and restricted, voluntary public support from those persons who received congregate meals services and other donors.

Title III C-2 Fund - The Title III C-2 Fund is used to account for funds that are used to provide nutritional meals and nutrition education to homebound people who are age 60 or older. There are three main sources of revenues received this year that form the basis of this fund: a grant from GOEA for special programs for the aging, *Title III, Part C-2 - Nutrition Services; Nutrition Services Incentive Program* (NSIP) funds provided by GOEA to supplement the home-delivered meals program; and restricted, voluntary public support from those persons who received home-delivered meals.

Nonmajor Governmental Funds

Title III D Fund - The Title III D Fund accounts for funds used for disease prevention and health promotion activities, which includes medication management services. The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA, *Title III, Part D - Disease Prevention and Health Promotion Services*.

Title III E Fund - The Title III E Fund is used to account for funds relating to the National Family Caregiver Support program, which is designed to provide multifaceted systems of support services for family caregivers and for grandparents or older individuals who are relative caregivers. The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA, *Title III, Part E - National Family Caregivers Support Program*.

LIVINGSTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

C. Measurement Focus and Basis of Accounting

Government-wide Financial Statements:

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:

Governmental fund 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 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.

D. 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.

LIVINGSTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

E. Cash

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

F. Receivables

The financial statements contain an allowance for uncollectible property (ad valorem) tax because management estimates that all of the tax owed the Council will not be collected. This year's allowance amount has already been applied to reduce the property tax receivable amount presented on the Statement of Net Position (Statement A) and the Balance Sheet (Statement C).

Management estimates that other receivables presented will be collected in full. However, if management becomes aware of information that would change its assessment about the collectability of these other receivables, management would write off the receivables as bad debts at that time.

G. Investments

Investments are reported in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The Louisiana Asset Management Pool (LAMP) investment, which is an external investment pool administered by a non-profit corporation organized under State of Louisiana law, is reported at net asset value.

H. Prepaid Expenses/Expenditures

In the government-wide financial statements prepaid expenses include amounts paid in advance for goods and services. These 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, the Council 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 the Council's 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.

LIVINGSTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

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 government are capitalized and amortized in the Statement of Net Position as prepaid expenses 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.

I. Capital Assets

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 acquisition value. 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:

| | |
|---|---------------|
| Equipment - other than computers | 6 to 10 years |
| Furniture | 10 years |
| Vehicles | 5 years |
| Computer equipment | 5 years |
| Leasehold improvements & storage building | 20 years |

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

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.

LIVINGSTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

J. 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.

K. Unpaid Compensated Absences

The Council's annual and sick leave policy requires employees to consume any annual or sick 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 30th of every year. As a result, the Council has not accrued a liability for any unused leave in these 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.

L. Deferred Revenue Other Than Property Taxes

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

M. 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.

N. 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.

LIVINGSTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

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

1. 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 position 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.
2. 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.
3. 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.

O. 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: Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: Amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.

Committed: Amounts that can only be used for specific purposes determined by a formal action by Council ordinance or resolution. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed.

Assigned: Amounts the Council intends to use for a specific purpose; intent can be expressed by the Council or by an official or body to which the Council delegates the authority.

LIVINGSTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

Unassigned: Amounts that have not been assigned to other funds and that have 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 would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

P. Management's Use of Estimates

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

Q. 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. GOEA provides funds to partially subsidize the Council's Administration function. The unsubsidized net cost of the Administration function is allocated 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.

R. 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.

2. **Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Under state law, the Council may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

LIVINGSTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

Under state law, the Council may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The Council maintains a consolidated bank account at Whitney Bank to deposit money received and to pay bills. The consolidated bank account is available for use by all funds. The purpose of the consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash balances to temporarily cover any negative cash balances in other funds.

The following is a summary of cash and cash equivalents at June 30, 2019:

| | Book Balance | Bank Balance |
|---------------------------|-------------------|-------------------|
| Petty Cash | \$ 1,050 | \$ - |
| Deposits in Bank Accounts | 250,587 | 259,303 |
| | <u>\$ 251,637</u> | <u>\$ 259,303</u> |

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Council's deposits may not be returned to it. To mitigate this risk, state law requires for these deposits (or the resulting bank balances) to be secured by federal deposit insurance or the pledge of securities by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The pledged securities are deemed by Louisiana State Law to be under the control and possession and in the name of the Council regardless of its designation by the financial institution in which it is deposited. As of June 30, 2019, none of the Council's bank balance of \$259,303 was exposed to custodial credit risk.

3. Investments

Investments at June 30, 2019, consists of \$2,882,905 in the Louisiana Asset Management Pool (LAMP), a local government external investment pool. The LAMP investment is stated at the value of the pool shares, which is the same as the fair value which is permitted per GASB Statement No. 59.

LIVINGSTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

During the year the Council might accumulate cash in excess of its immediate operating needs and to maximize its revenues, the Council's management will invest the excess cash. In addition, to protect the 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 its excess cash in the LAMP. This type of investment complies with state law and the Council's investment policy

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. 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 LSA-R.S. 33:2955.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days.

LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. LAMP, Inc., issues an annual publicly available financial report that includes financial statements and required supplementary information for LAMP, Inc. That report may be obtained by writing to LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, Louisiana 70130, or by calling (800) 249-5267.

At June 30, 2019, the Council holds investments totaling \$2,882,905 as follows:

| | <u>Carrying Amount</u> | <u>Market Value</u> |
|--|----------------------------|-------------------------|
| Louisiana Asset Management Pool (LAMP) | \$ <u>2,882,905</u> | \$ <u>2,882,905</u> |

LIVINGSTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

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 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. In the case of LAMP, 2a7-like investment pools are excluded from this disclosure requirement per paragraph 15 of the GASB 40 statement.

Foreign currency risk. Not applicable to 2a7-like pools.

4. Ad Valorem Taxes

The Council receives funds from a ten-year property tax that was renewed by the voters of Livingston Parish on April 6, 2013 to specifically provide money to finance the Council's operations. The tax is based upon the assessed (appraised) value, less homestead exemptions, on all real and business personal property located within the Parish. The 1st day of January is used as the date to value the property subject to tax and make the annual assessment. The tax will be assessed through calendar year 2023 unless the voters renew it again.

Property taxes become due in November and are considered delinquent if not paid by December 31 (the lien date). Most of the property taxes are collected during the months of December, January, and February. The Livingston Parish Sheriff (the Sheriff) acts as the collection agent for the Parish's property taxes.

For the year ended June 30, 2019 taxes of 2 mills were levied on property with assessed valuations totaling \$539,919,105 and were dedicated to general purposes. Two mills is the maximum amount the Council may legally elect to assess property owners each year, and

LIVINGSTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

the Council's board of directors elected to have the Parish assess the maximum 2 mills for tax year 2018.

Property tax revenues (\$1,063,520) on the fund financial Statement of Revenues, Expenditures, and Changes in Fund Balances (Statement E) have not been reduced by \$42,148 withheld by the Sheriff for *on-behalf payments for fringe benefits*, which represent the Council's pro rata share of retirement plan contributions for other government agencies. Instead, the \$42,148 has been presented as intergovernmental expenditures on Statement E. In contrast, on the government-wide Statement of Activities (Statement B), property tax revenues of \$1,021,372 have been reduced by the on-behalf payments and presented as general revenues.

5. Prepaid Expenditures and Expenses

At year-end, prepaid expenditures in the fund Balance Sheet (Statement C) consisted of the following:

| | |
|--|-------------------------|
| Prepaid Rent of Denham Springs Senior Center | \$ 58,717 (See Note 15) |
| Prepaid Registration for LANTEC Training | <u>3,980</u> |
| Total Prepaid Expenditures | <u>\$ 62,697</u> |

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

| | |
|--|-------------------------|
| Prepaid Rent of Denham Springs Senior Center | \$ 58,717 (See Note 15) |
| Prepaid Registration for LANTEC Training | 3,980 |
| Van Usage | <u>50,872</u> |
| Total Prepaid Expenditures | <u>\$ 113,569</u> |

The difference between prepaid expenditures and prepaid expenses arises from transactions wherein the Livingston Council on Aging paid the required *matching funds* under capital assistance grants the LPC entered into with the DOTD to acquire vehicles. The vehicles are titled in the name of the LPC but the Livingston Council on Aging uses the vehicles for its transportation programs and must pay for all the operating costs. The funds the Livingston Council on Aging expends as *matching funds* are first recorded as a deposit in its fund Balance Sheet when the funds are remitted to DOTD. Upon delivery of the vehicles to the Livingston Council on Aging, the deposits are reversed as intergovernmental expenditures in the Council's fund financial statements. However, in the government-wide statements, the *matching funds* are classified as prepaid expenses and

LIVINGSTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

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 LPC and the Livingston Council on Aging that sets forth the terms of the agreement to use the LPC's vehicles. However, the LPC and the Livingston Council on Aging have used this type of cooperative agreement to provide public transportation to the residents of Livingston Parish for many years.

6. Changes in Capital Assets and Accumulated Depreciation

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

| | <u>Balance</u> <u>June 30, 2018</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2019</u> |
|---|--|--------------------|--------------------|--|
| Capital Assets not being Depreciated: | | | | |
| Land | \$ 148,045 | \$ - | \$ - | \$ 148,045 |
| Total Capital Assets not being Depreciated | 148,045 | - | - | 148,045 |
| Capital Assets being Depreciated: | | | | |
| Leasehold Improvements | 452,519 | - | - | 452,519 |
| Buildings | 180,200 | - | - | 180,200 |
| Furniture and Equipment | 71,490 | - | (7,250) | 64,240 |
| Vehicles | 312,339 | 77,604 | (14,500) | 375,443 |
| Total Capital Assets being Depreciated | 1,016,548 | 77,604 | (21,750) | 1,072,402 |
| Less: Accumulated Depreciation for: | | | | |
| Leasehold Improvements | 75,087 | 21,197 | - | 96,284 |
| Buildings | 6,915 | 4,888 | - | 11,803 |
| Furniture and Equipment | 16,006 | 10,025 | (1,692) | 24,339 |
| Vehicles | 113,679 | 73,498 | (7,008) | 180,169 |
| Total Accumulated Depreciation | 211,687 | 109,608 | (8,700) | 312,595 |
| Total Capital Assets being Depreciated, Net | 804,861 | (32,004) | (13,050) | 759,807 |
| Total Governmental Activities Capital Assets, Net | <u>\$ 952,906</u> | <u>\$ (32,004)</u> | <u>\$ (13,050)</u> | <u>\$ 907,852</u> |

LIVINGSTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

None of the above amounts include any donated assets. The Council's management has reviewed the capital assets and does not believe any capital asset are impaired or totally unusable as of the year end.

Depreciation was charged to governmental activities as follows:

| | |
|-------------------------------|-------------------|
| Administration | \$ 33,784 |
| Supportive Services: | |
| Transportation of the elderly | 52,051 |
| Recreation | 100 |
| Nutrition Services | |
| Congregate meals | 7,011 |
| Home-delivered meals | 15,377 |
| Transportation Services | |
| Nonelderly - general public | <u>1,285</u> |
| Total Depreciation Expense | |
| Governmental Activities | <u>\$ 109,608</u> |

The \$33,784 of depreciation associated with the administration function 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 are charged as direct expenses to their related programs on the Statement of Activities.

7. 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 zeroed 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 \$4,041 of restricted funds to be used specifically for Utility Assistance.

8. 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 acquisition value of a donated capital asset be recorded in the Statement of Activities. 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.

LIVINGSTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

The Council received in-kind contributions relating to the use of facilities in Maurepas, Springfield, and Denham Springs. The donors have valued their donations and furnished the information to the Council's management. A summary of the in-kind contributions and their estimated values are as follows:

| | |
|--------------------------|------------------|
| Facility Rentals | \$ 39,471 |
| Utilities for Facilities | 9,188 |
| Telephone | 3,191 |
| Garbage Pickup | 4,556 |
| Insurance | 19,725 |
| Maintenance and Repairs | 14,727 |
| | <u>\$ 90,858</u> |

If these in-kind contributions had been recorded in the Statement of Activities their allocation would have been \$7,075 for Administration and \$83,783 for Nutrition Services - Congregate Meals.

The Council also received in-kind support for its transportation programs from the LPC because the LPC made fifteen vehicles available for the Council to use at no charge. The vehicles owned by the LPC were all acquired by the LPC under capital assistance grants for the elderly and disabled persons wherein the federal government paid 85% or 100% of the vehicle's cost. The LPC allowed the Council to use the vehicles at no charge as long as the Council paid for all the insurance, fuel and maintenance costs. Therefore, the Council received an in-kind contribution from the LPC for the use of the vehicles owned by the LPC. Management has estimated the in-kind use of the LPC's vehicles to be \$77,229 for the fiscal year. The estimate was derived by first determining the amount the federal government paid for each vehicle. Then, the amount of federal payment for each vehicle was amortized from the date at which the Council began using each vehicle using 100,000 miles (approximately 60-month) estimated useful life. The amount of amortization for the period July 1, 2018 through June 30, 2019 was deemed to be the value of the LPC's in-kind contribution for vehicle usage. If the in-kind contribution for the vehicles had been recorded in the Statement of Activities, the allocation amongst the Council's transportation programs would have been \$75,130 for Elderly Transportation and \$2,099 for Nonelderly Transportation.

9. Retirement Plan

The Council does not participate in or offer any type of retirement plan to its employees.

LIVINGSTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

10. 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 reimbursements for out-of-pocket expenses in accordance with the Council's travel reimbursement policy when traveling on behalf of the Council.

11. Judgments, Claims, and Contingent Liabilities

The Council's management believes that any litigation, lawsuits, or claims that are unknown and that might arise subsequent to the issuance of these financial statements would be adequately covered by the Council's insurance or resolved without any material adverse impact upon the Council's financial statements.

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, funds received during the year 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.

13. Economic Dependency

The Council receives the majority of its revenue from a property tax assessment and through grants administered by the GOEA and the DOTD. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/ or state level, the amount of funds the Council receives could be reduced significantly and have an adverse impact on its operations. Also, if the property in Livingston Parish were to be assessed at lower values due to natural disaster or another unpredictable event, the amount the Council receives annually from the property tax could be affected adversely. Management is not aware of any actions or events that might significantly affect the amount of funds the Council should receive next year relating to its property tax or grant revenues.

LIVINGSTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

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; medical benefits to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. Also, all eligible employees who did not elect out of coverage are covered by commercial health insurance that is provided by the Council. There have been no significant reductions in coverage from the prior year. No settlements were made during the current or prior three fiscal years that exceeded the Council's insurance coverage.

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

15. Lease and Rental Commitments

On February 1, 1992, the Council entered into an operating lease with the City of Denham Springs, Louisiana, to lease the building that the Council currently occupies at 949 Government Street, Denham Springs, Louisiana. Also included in this lease is the use of an addition (the Senior Center) that is adjacent to that building. Terms of the lease required the Council to prepay the rent in a lump sum of \$130,000 for the entire lease term of 600 months (February 1, 1992 to January 31, 2042). As a result, the Council is amortizing this prepaid lease at \$216.67 per month over the term of this lease (\$2,600 annually). The unamortized balance as of year-end was \$58,717.

Other significant terms of the lease require the Council to (1) maintain at least \$500,000 of liability insurance, (2) pay all the contents insurance of the buildings and utilities, and (3) be responsible for the costs of interior maintenance. The City of Denham Springs is responsible for all costs relating to building fire and flood insurance and major repairs to the external structure, heating and cooling system, and plumbing.

The Council also leases its copy machine under an agreement that began on May 24, 2019. The initial terms of the lease require the Council to pay \$409 per month for 60 months plus applicable fees and taxes.

This year the Council paid \$7,813 in rent and other associated costs under the lease. At the end of the lease, the Council has the option to purchase the copy machine for its fair market value, renew the lease, or return the equipment. Management is unsure which option it will exercise at this time, but will likely return the equipment.

LIVINGSTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

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

| Fiscal Year | Amount |
|-------------|-----------|
| 2020 | \$ 4,908 |
| 2021 | 4,908 |
| 2022 | 4,908 |
| 2023 | 4,908 |
| 2024 | 4,090 |
| Total | \$ 23,722 |

16. Interfund Receivables and Payables

Because the Council receives its grant revenues primarily on a cost reimbursement basis, it has to pay for costs using its General Fund money and then request reimbursement under the various grant programs. As a result, the manner in which cash is spent and received creates short-term interfund loans. A summary of these interfund loans at year end is as follows:

| | Due from Other Funds | Due to Other Funds |
|-----------------------------|-------------------------|-----------------------|
| Governmental Funds | | |
| General Fund | | |
| Major Funds: | | |
| Title IIIB Fund | \$ 46,907 | \$ 8,478 |
| Title III C-1 Fund | - | 14,067 |
| Title III C-2 Fund | - | 29,494 |
| Nonmajor Funds: | | |
| Title IIID Fund | - | 720 |
| Title IIIE Fund | - | 3,586 |
| Total General Fund | 46,907 | 56,345 |
| Special Revenue Funds: | | |
| Major Funds: | | |
| Title IIIB Fund: | | |
| General Fund | 8,478 | 46,907 |
| Title III C-1 Fund: | | |
| General Fund | 14,067 | - |
| Title III C-2 Fund: | | |
| General Fund | 29,494 | - |
| Nonmajor Funds: | | |
| Title IIID Fund: | | |
| General Fund | 720 | - |
| Title IIIE Fund: | | |
| General Fund | 3,586 | - |
| Total Special Revenue Funds | 56,345 | 46,907 |
| Total | \$ 103,252 | \$ 103,252 |

LIVINGSTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

17. Interfund Transfers

Operating transfers to and from are listed by fund for the fiscal year as follows:

| | Operating Transfers | |
|-----------------------------|---------------------|------------|
| | In | Out |
| Governmental Funds: | | |
| General Fund: | | |
| Title III B Fund | \$ - | \$ 403,808 |
| Title III C-1 Fund | - | 226,649 |
| Title III C-2 Fund | - | 309,967 |
| Title III E Fund | - | 12,338 |
| Total General Fund | - | 952,762 |
| Special Revenue Funds: | | |
| Major Funds: | | |
| Title III B Fund: | | |
| General Fund | 403,808 | - |
| Title III C-1 Fund: | | |
| General Fund | 226,649 | - |
| Title III C-2 Fund: | | |
| General Fund | 309,967 | - |
| | 940,424 | - |
| Nonmajor Funds: | | |
| Title III E Fund: | | |
| General Fund | 12,338 | - |
| | 12,338 | - |
| Total Special Revenue Funds | 952,762 | - |
| Total | \$ 952,762 | \$ 952,762 |

Transfers are used to (a) 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) 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.

18. Subsequent Events

Management has evaluated subsequent events through December 6, 2019, which is the date the financial statements were available to be issued. There were no events that required disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

LIVINGSTON COUNCIL ON AGING

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

| | Original Budget | Final Budget | Actual | Variance with Budget |
|--|---------------------|---------------------|---------------------|----------------------------|
| Revenues: | | | | |
| Intergovernmental: | | | | |
| Governor's Office of Elderly Affairs: | | | | |
| AAA Grant | \$ 36,580 | \$ 36,580 | \$ 36,580 | \$ - |
| MIPPA Grant | - | - | 600 | 600 |
| PCOA Grant | 47,535 | 47,535 | 47,535 | - |
| Senior Center Grant | 107,953 | 107,953 | 107,953 | - |
| Supplemental Senior Center Grant | - | - | 10,803 | 10,803 |
| Flood Recovery Grants | - | 31,098 | 69,842 | 38,744 |
| Program Service Fees | 3,858 | 1,700 | 1,559 | (141) |
| Property Taxes | 997,085 | 1,080,030 | 1,063,520 | (16,510) |
| Public Support - Restricted | 3,000 | 6,930 | 7,568 | 638 |
| Public Support - Unrestricted | 1,200 | 5,500 | 5,631 | 131 |
| Interest Income | 25,000 | 59,000 | 62,562 | 3,562 |
| Miscellaneous | - | 3,000 | 1,735 | (1,265) |
| Total Revenues | <u>1,222,211</u> | <u>1,379,326</u> | <u>1,415,888</u> | <u>36,562</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Personnel | 151,868 | 100,000 | 95,633 | 4,367 |
| Fringe | 27,421 | 14,500 | 16,466 | (1,966) |
| Operating Services | 40,012 | 50,684 | 53,550 | (2,866) |
| Operating Supplies | 30,151 | 15,370 | 15,385 | (15) |
| Other Costs | 11,345 | 20,450 | 19,544 | 906 |
| Utility Assistance | 9,500 | 7,000 | 5,760 | 1,240 |
| Full Service | - | 600 | 7,614 | (7,014) |
| Capital Outlay | 600,000 | 80,000 | 77,604 | 2,396 |
| Intergovernmental | 40,000 | 43,000 | 42,148 | 852 |
| Other Expense | 12,300 | - | - | - |
| Total Expenditures | <u>922,597</u> | <u>331,604</u> | <u>333,704</u> | <u>(2,100)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 299,614 | 1,047,722 | 1,082,184 | 34,462 |
| Other Financing Sources (Uses): | | | | |
| Proceeds on Disposal of Capital Assets | - | - | 1,500 | 1,500 |
| Transfers In (Out) | (820,091) | (974,294) | (952,762) | 21,532 |
| Total Other Financing Sources (Uses) | <u>(820,091)</u> | <u>(974,294)</u> | <u>(951,262)</u> | <u>23,032</u> |
| Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses | (520,477) | 73,428 | 130,922 | 57,494 |
| Fund Balance at Beginning of Year | <u>3,046,587</u> | <u>3,046,587</u> | <u>3,046,587</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 2,526,110</u> | <u>\$ 3,120,015</u> | <u>\$ 3,177,509</u> | <u>\$ 57,494</u> |

See auditor's report.

LIVINGSTON COUNCIL ON AGING

SPECIAL REVENUE FUND - TITLE III B FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Budget</u> |
|--|----------------------------|-------------------------|----------------|-------------------------------------|
| Revenues: | | | | |
| Intergovernmental: | | | | |
| Governor's Office of Elderly Affairs | \$ 112,190 | \$ 112,190 | \$ 112,192 | \$ 2 |
| Livingston Parish Council (Section 5311) | 295,000 | 202,290 | 203,713 | 1,423 |
| Public Support: | | | | |
| Client Contributions | 3,552 | 1,400 | 1,310 | (90) |
| Miscellaneous | - | 900 | - | (900) |
| Total Revenues | <u>410,742</u> | <u>316,780</u> | <u>317,215</u> | <u>435</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Personnel | 377,230 | 372,000 | 362,174 | 9,826 |
| Fringe | 52,513 | 57,500 | 55,146 | 2,354 |
| Operating Services | 165,912 | 144,785 | 134,543 | 10,242 |
| Operating Supplies | 56,288 | 58,826 | 57,343 | 1,483 |
| Other Costs | 19,771 | 25,177 | 22,961 | 2,216 |
| Utility Assistance | - | 1,320 | 1,310 | 10 |
| Full Service | 68,320 | 56,100 | 87,546 | (31,446) |
| Total Expenditures | <u>740,034</u> | <u>715,708</u> | <u>721,023</u> | <u>(5,315)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (329,292) | (398,928) | (403,808) | (4,880) |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 329,292 | 398,928 | 403,808 | 4,880 |
| Total Other Financing Sources (Uses) | <u>329,292</u> | <u>398,928</u> | <u>403,808</u> | <u>4,880</u> |
| Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses | - | - | - | - |
| Fund Balance at Beginning of Year | - | - | - | - |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See auditor's report.

LIVINGSTON COUNCIL ON AGING

SPECIAL REVENUE FUND - TITLE III C-1 FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Budget</u> |
|--|----------------------------|-------------------------|----------------|-------------------------------------|
| Revenues: | | | | |
| Intergovernmental: | | | | |
| Governor's Office of Elderly Affairs: | | | | |
| Primary Grant | \$ 135,632 | \$ 135,632 | \$ 135,632 | \$ - |
| NSIP Grant | 38,592 | 38,592 | 38,592 | - |
| Public Support: | | | | |
| Client Contributions | 21,840 | 17,600 | 17,539 | (61) |
| Misc Income | - | 285 | 341 | 56 |
| Total Revenues | <u>196,064</u> | <u>192,109</u> | <u>192,104</u> | <u>(5)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Personnel | 166,350 | 150,000 | 150,308 | (308) |
| Fringe | 29,373 | 18,200 | 18,083 | 117 |
| Operating Services | 57,464 | 49,931 | 44,241 | 5,690 |
| Operating Supplies | 24,846 | 28,500 | 27,569 | 931 |
| Other Costs | 2,658 | 5,395 | 4,616 | 779 |
| Full Service | 720 | 1,000 | 1,400 | (400) |
| Meals | 179,920 | 175,000 | 172,536 | 2,464 |
| Total Expenditures | <u>461,331</u> | <u>428,026</u> | <u>418,753</u> | <u>9,273</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (265,267) | (235,917) | (226,649) | 9,268 |
| Other Financing Sources (Uses): | | | | |
| Transfers In (Out) | <u>265,267</u> | <u>235,917</u> | <u>226,649</u> | <u>(9,268)</u> |
| Total Other Financing Sources (Uses) | <u>265,267</u> | <u>235,917</u> | <u>226,649</u> | <u>(9,268)</u> |
| Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses | - | - | - | - |
| Fund Balance at Beginning of Year | - | - | - | - |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See auditor's report.

LIVINGSTON COUNCIL ON AGING

SPECIAL REVENUE FUND - TITLE III C-2 FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

| | Original Budget | Final Budget | Actual | Variance with Budget |
|--|--------------------|-----------------|----------------|----------------------------|
| Revenues: | | | | |
| Intergovernmental: | | | | |
| Governor's Office of Elderly Affairs: | | | | |
| Primary Grant | \$ 110,843 | \$ 110,843 | \$ 110,843 | \$ - |
| NSIP Grant | 38,591 | 38,591 | 38,591 | - |
| Public Support: | | | | |
| Client Contributions | 5,764 | 8,500 | 8,341 | (159) |
| Misc Income | - | - | 66 | 66 |
| Total Revenues | <u>155,198</u> | <u>157,934</u> | <u>157,841</u> | <u>(93)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Personnel | 35,984 | 65,000 | 64,502 | 498 |
| Fringe | 10,791 | 9,100 | 8,880 | 220 |
| Operating Services | 11,000 | 18,488 | 18,008 | 480 |
| Operating Supplies | 5,899 | 7,190 | 6,084 | 1,106 |
| Other Costs | 605 | 935 | 1,206 | (271) |
| Full Service | 80 | 125 | 150 | (25) |
| Meals | 269,880 | 375,000 | 368,978 | 6,022 |
| Total Expenditures | <u>334,239</u> | <u>475,838</u> | <u>467,808</u> | <u>8,030</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (179,041) | (317,904) | (309,967) | 7,937 |
| Other Financing Sources (Uses): | | | | |
| Transfers In (Out) | 179,041 | 317,904 | 309,967 | (7,937) |
| Total Other Financing Sources (Uses) | <u>179,041</u> | <u>317,904</u> | <u>309,967</u> | <u>(7,937)</u> |
| Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses | - | - | - | - |
| Fund Balance at Beginning of Year | - | - | - | - |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See auditor's report.

LIVINGSTON COUNCIL ON AGING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2019

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 Governor's Office of Elderly Affairs (GOEA) notifies the Council each year as to the funding levels for its programs.
- Management projects property tax revenues based on past trends and data available at the Parish Assessor's office to form expectations of future revenues.
- The Livingston Parish Council (LPC) also provides funds to the Council via the Section 5311 program administered by the Louisiana Department of Transportation and Development (DOTD). Accordingly, the Council submits an application and budget to DOTD to request funding under the Section 5311 program. DOTD, in turn, notifies the Council of the maximum amount the Council can get reimbursed under this program in the upcoming year.
- The revenue information supplied by GOEA and DOTD are considered by management along with revenue projections of grants from 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 information regarding projected revenues and expenditures has been obtained, the Council's management prepares a proposed budget based on the projections. The proposed budget is reviewed and approved by the Council's Finance Committee before it 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, usually held before May 31 of the current fiscal year. The original FY 2019 budget was approved at a board meeting on May 24, 2018.
- The adopted budget is forwarded to GOEA for final compliance approval.

LIVINGSTON COUNCIL ON AGING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

- 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, the Council will automatically re-budget funds in the next fiscal year to complete the grant or contract. An example where this type of situation arises is when vehicles are acquired under federal matching programs. The match might be made in one year and the vehicle delivered in another.
- The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. Budget amendments are sent to GOEA and approved by that agency. The Council did amend its fiscal year 2019 budget once, which was approved at a board meeting on May 23, 2019.
- 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 in its budget as often as required but must obtain compliance approval from the GOEA for funds received under grants from this agency. As part of its grant compliance, GOEA requires the Council to amend its budget in cases where actual costs for a particular line item exceed their budgeted amounts by more than 10%, unless unrestricted funds are available to *cover* the overrun.
- Budgeted expenditures cannot exceed budgeted revenues, including transfers, 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.

2. General Fund's Original Budgeted Operating Deficit -

- In the General Fund's original budget, management budgeted an operating deficit this year because the Council planned to make substantial capital improvements to its senior centers and was planning to use prior year's surpluses to cover these capital improvements. However, the planned capital improvements did not occur, so management amended the General Fund's final budget to reflect the reduced capital outlay.

OTHER SUPPLEMENTARY SCHEDULES

LIVINGSTON COUNCIL ON AGING

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

| | <u>Title IID</u> | <u>Title IIIE</u> | <u>Total Nonmajor Governmental Funds</u> |
|--|------------------|-------------------|--|
| Revenues: | | | |
| Intergovernmental: | | | |
| Governor's Office of Elderly Affairs | \$ 2,904 | \$ 39,820 | \$ 42,724 |
| Total Revenues | 2,904 | 39,820 | 42,724 |
| Expenditures: | | | |
| Health, Welfare, & Social Services: | | | |
| Personnel | 1,665 | 9,969 | 11,634 |
| Fringe | 281 | 1,204 | 1,485 |
| Operating Services | 795 | 1,271 | 2,066 |
| Operating Supplies | - | 109 | 109 |
| Other Costs | 163 | 240 | 403 |
| Full Service | - | 39,365 | 39,365 |
| Total Expenditures | 2,904 | 52,158 | 55,062 |
| Excess (Deficiency) of Revenues Over Expenditures | - | (12,338) | (12,338) |
| Other Financing Sources (Uses): | | | |
| Transfers In (Out) | - | 12,338 | 12,338 |
| Total Other Financing Sources (Uses) | - | 12,338 | 12,338 |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | - | - | - |
| Fund Balances at Beginning of Year | - | - | - |
| Fund Balances at End of Year | \$ - | \$ - | \$ - |

See auditor's report.

LIVINGSTON COUNCIL ON AGING

COMPARATIVE SCHEDULE OF CAPITAL ASSETS
AND CHANGES IN CAPITAL ASSETS

FOR THE YEAR ENDED JUNE 30, 2019

| | <u>Balance</u> <u>June 30, 2018</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2019</u> |
|--|--|------------------|--------------------|--|
| <u>Capital Assets</u> | | | | |
| Land | \$ 148,045 | \$ - | \$ - | \$ 148,045 |
| Leasehold Improvements | 452,519 | - | - | 452,519 |
| Buildings | 180,200 | - | - | 180,200 |
| Furniture and Equipment | 71,490 | - | (7,250) | 64,240 |
| Vehicles | 312,339 | 77,604 | (14,500) | 375,443 |
| Total Capital Assets | <u>\$ 1,164,593</u> | <u>\$ 77,604</u> | <u>\$ (21,750)</u> | <u>\$ 1,220,447</u> |
| <u>Investment in Capital Assets</u> | | | | |
| Property Acquired with Funds from: | | | | |
| General Funds and Local Donations | \$ 1,164,593 | \$ 7,762 | \$ (21,750) | \$ 1,150,605 |
| Federal Grants | - | 69,842 | - | 69,842 |
| Total Investment in Capital Assets | <u>\$ 1,164,593</u> | <u>\$ 77,604</u> | <u>\$ (21,750)</u> | <u>\$ 1,220,447</u> |

See auditor's report.

LIVINGSTON COUNCIL ON AGING

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO COUNCIL'S EXECUTIVE DIRECTOR

FOR THE YEAR ENDED JUNE 30, 2019

Agency Head: Melane Kay Granger

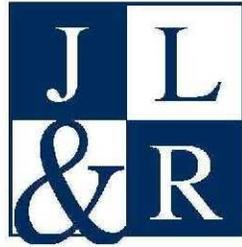
| <u>Purpose</u> | <u>Amount</u> |
|--|------------------|
| Salary | \$ 66,760 |
| Benefits - Insurance (Health and Life) | 5,871 |
| Benefits - Other (FICA, LUTA, & Worker's Comp) | 4,881 |
| Reimbursements as the Custodian of Petty Cash | 229 |
| Training | 1,367 |
| | <u>\$ 79,108</u> |

See auditor's report.

**Other Independent Auditor's Reports and
Findings and Recommendations**

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 Stelb
Debbie G. Faust, EA
Ramona K. Huckabee, EA



JAMES
LAMBERT RIGGS
& ASSOCIATES, INC.
CERTIFIED PUBLIC ACCOUNTANTS
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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
Livingston Council on Aging, Inc.
Denham Springs, 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 Livingston Council on Aging, Inc., as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Livingston Council on Aging, Inc.'s basic financial statements, and have issued our report thereon dated December 6, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Livingston Council on Aging, Inc.'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 Livingston Council on Aging, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Livingston 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.

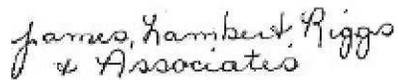
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during 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 Livingston 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 Livingston 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 6, 2019

Livingston Council on Aging, Inc.
 Schedule of Audit Findings and Responses
 For the Year Ended June 30, 2019

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Council on Aging, Inc. as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Livingston Council on Aging, Inc.'s basic financial statements, and have issued our report thereon dated December 6, 2019. Our audit of the basic financial statements resulted in an unmodified opinion.

Section I – Summary of Auditor’s Reports

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

| | | | | |
|--------------------------|-----|-----|----------|----|
| Material Weakness | ___ | Yes | <u>X</u> | No |
| Significant Deficiencies | ___ | Yes | <u>X</u> | No |

Compliance:

| | | | | |
|---|-----|-----|----------|----|
| Compliance Material to the Financial Statements | ___ | Yes | <u>X</u> | No |
|---|-----|-----|----------|----|

2. Management Letter

| | | | | |
|---------------------------------|-----|-----|----------|----|
| Was a management letter issued? | ___ | Yes | <u>X</u> | No |
|---------------------------------|-----|-----|----------|----|

Section II – Financial Statement Findings

Internal Control over Financial Reporting

None

Compliance and Other Matters

None

Livingston Council on Aging, Inc.
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2019

Internal Control over Financial Reporting

None

Compliance and Other Matters

2018-001 – Possible Violation of State Ethics Law by the Board Chairman

Condition:

During the audit and testing of compliance, we came across a transaction that may be a possible violation of the Louisiana Code of Governmental Ethics by the Chairman of the Livingston Council on Aging, Inc. The Board decided to purchase a building in Livingston, Louisiana to setup a new meal site. The Board authorized the Chairman to represent the Council in her capacity as Chairman to handle the closing on the purchase of property. A review of the HUD-1 settlement statement for the sale disclosed the property was purchased for \$130,000 and a 6.00% realtor's commission totaling \$7,800 was paid by the seller. The Chairman disclosed, in writing, to the auditor that she was the buyer's agent for the purchase and that she was paid a commission by the seller.

Prior Year Recommendation:

We recommend that the Chairman should confer with the Louisiana Board of Ethics for an opinion on this matter.

Resolution:

Resolved