

Financial Report

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

June 30, 2019

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tangipahoa Voluntary Council on Aging, Inc., Amite, Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Tangipahoa Voluntary Council on Aging, Inc.'s basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Tangipahoa Voluntary Council on Aging, Inc. as of June 30, 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 7 through 20 and budgetary comparison information on pages 61 through 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

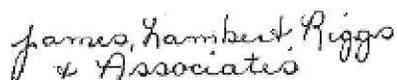
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tangipahoa Voluntary Council on Aging Inc.'s basic financial statements. The accompanying Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2019, on our consideration of the Tangipahoa Voluntary Council on Aging Inc.’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tangipahoa Voluntary Council on Aging, Inc.’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tangipahoa Voluntary Council on Aging Inc.’s internal control over financial reporting and compliance.



James Lambert Riggs
James Lambert Riggs and Associates

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

December 13, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS
The Tangipahoa Voluntary Council on Aging
June 30, 2019

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

FINANCIAL HIGHLIGHTS

- The Council showed a decrease in overall net position of \$62,568 or about 21.7%.
- Net investment in capital assets decreased by \$19,368 or about 26.5%.
- Administrative expenses increased this year by \$102,322 or about 39%.
- The unassigned fund balance for the Council's General Fund was \$127,331 at year-end, which is a \$47,224 decrease from last year.
- Fund revenues decreased by \$23,209 or about 2.2%.
- Fund expenditures increased by \$6,453 or less than 1%.
- No deficit fund balances existed at year-end.
- The Council had no long-term debt at year-end.

How to Use This Annual Report

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

most significant funds.

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

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

BASIC FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Council are governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Accordingly, the governmental funds use the modified accrual basis of accounting. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The governmental fund balance sheet presents a reconciliation between net position of governmental activities and fund balances of the

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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

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

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

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 28 of this report. They should be read before making assumptions or conclusions about the Council's financial condition.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

In addition to the basic financial statements, this report also presents certain required supplementary information (RSI) that further explains and supports the information in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted budget (see pages 61 to 64). The schedules compare the original and final (if the original budget is amended) budgets to actual results for the Council's fiscal year. Positive and negative variances between the final budget and actual amounts are also presented.

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

SUPPLEMENTARY FINANCIAL INFORMATION FOR GOEA ANALYSIS

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present a combining schedule that provides details about non-major governmental funds and a schedule containing details about capital assets and the changes in capital assets. This information will be used by GOEA to verify the accuracy of information submitted to them during the year and to help monitor certain compliance requirements set forth in the grants that it has with the Council. (See pages 68 and 69)

SUPPLEMENTARY INFORMATION REQUIRED BY STATE LAW

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

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

Condensed Statement of Net Position

	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>
Current and Other Assets:			
Current Assets	\$ 168,354	\$ 211,211	\$ (42,857)
Other Assets	20,115	21,501	(1,386)
Capital Assets, net of depreciation	<u>53,810</u>	<u>73,178</u>	<u>(19,368)</u>
Total Assets	<u>242,279</u>	<u>305,890</u>	<u>(63,611)</u>
Current Liabilities	<u>16,835</u>	<u>17,878</u>	<u>(1,043)</u>
Total Liabilities	<u>16,835</u>	<u>17,878</u>	<u>(1,043)</u>
Net Position:			
Net Investment in Capital Assets	53,810	73,178	(19,368)
Restricted	14,256	10,672	3,584
Unrestricted	<u>157,378</u>	<u>204,162</u>	<u>(46,784)</u>
Total Net Position	<u>\$ 225,444</u>	<u>\$ 288,012</u>	<u>\$ (62,568)</u>

As noted earlier, net position may serve over time as a useful indicator of the Council's financial position. The Council's net position at June 30, 2019 was \$225,444, whereas net position as of June 30, 2018 was \$288,012. The net position amount as of June 30, 2019, represents an 21.7% decrease in net position from 2018.

About 70% of the Council's net position is unrestricted at the end of 2019 which represents a 1% decrease since 2018. Unrestricted assets are important because they provide management the necessary resources to adapt to changes in the economy, emergencies, unexpected needs, and reduction in or termination of grants and contracts by governmental agencies.

The Council's restricted net position represents about 6.3% of the Council's total net position as of the end of this year compared to 3.7% in 2018. Net position is reported as restricted when the constraints placed upon the assets' use are either (a) externally imposed by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

policy helps assure that management will stay within its financial means so that future revenues will be spent for client services instead of debt service. Net investment in capital assets represents about 23.9% of total net position at the end of 2019 compared to 25.4% at the end of 2018.

The table presented below illustrates a condensed presentation of the revenues and expenses that caused the increase in net position for FY 2019 and FY 2018, respectively.

	<u>2019</u>	<u>% of Total</u>	<u>2018</u>	<u>% of Total</u>
<u>Revenues</u>				
Program Revenues:				
Charges for Services	\$ 31,536	3.05%	\$ 16,533	1.57%
Operating Grants & Contributions	614,103	59.43%	639,894	60.80%
Capital Grants & Contributions	0	0.00%	0	0.00%
General Revenues:				
Unrestricted Grants & Contributions	383,743	37.14%	391,112	37.16%
Gain on Sale of Vehicles	2,000	0.19%	4,000	0.38%
Miscellaneous Income	1,440	0.14%	572	0.05%
Interest Income	477	0.05%	361	0.03%
Total Revenues	<u>1,033,299</u>	<u>100.00%</u>	<u>1,052,472</u>	<u>100.00%</u>
<u>Direct Program Expenses for the Health, Welfare and Social Services Function:</u>				
Supportive Services:				
Transportation for the Elderly	394,073	35.96%	358,581	33.27%
Other Supportive Services	48,037	4.38%	89,998	8.35%
Nutrition Services:				
Congregate Meals	56,417	5.15%	94,329	8.75%
Home-delivered Meals	117,158	10.69%	134,103	12.44%
Transportation for the Non-elderly	101,603	9.27%	127,762	11.85%
Other Social Service Programs and Activities	13,834	1.26%	10,589	0.98%
Direct Administrative Expenses	364,745	33.28%	262,423	24.35%
Total Expenses	<u>1,095,867</u>	<u>100.00%</u>	<u>1,077,785</u>	<u>100.00%</u>
Increase (Decrease) in Net Position	<u>(62,568)</u>		<u>(25,313)</u>	
Net Position, Beginning of the Year	288,012		313,325	
Net Position, End of the Year	<u>\$ 225,444</u>		<u>\$ 288,012</u>	

AN ANALYSIS OF GOVERNMENTAL ACTIVITIES

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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

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

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

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

An indication of how money is used efficiently or inefficiently can be gained by comparing the amount of administration costs from year to year, as well as calculating the percentage administration expenses bears in relation to total expenses. This year total administration expenses were \$364,745 or about 33.3% of total expenses whereas last year total administration expenses were \$262,423 or about 24.4% of total expenses. Administration expenses include indirect-type costs, which are costs not specifically identified with a particular program but those that benefit all programs.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

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

Fund Balances

The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Council's governmental funds reported combined ending fund balances for all fund types of \$141,937, which is a decrease of \$43,540 when compared to last year. Because none of the Council's special revenue funds have a fund balance at year-end, these overall totals also represent the totals for the Council's total General Fund. The unassigned fund balance component of the General Fund was \$127,331 and is available for spending at management's discretion. The remainder of the General Fund balance consists of \$14,256 of restricted resources and \$350 of nonspendable resources.

Revenues

The combined fund revenues decreased by \$23,209 this year, as shown in the table below.

	% of 2019		% of 2018		Increase/(Decrease)	
	2019	Total	2018	Total	Amount	Percent
Intergovernmental	\$ 878,299	85.52%	\$ 909,808	86.63%	\$ (31,509)	-3.46%
Public Support	120,820	11.76%	122,405	11.66%	(1,585)	-1.29%
Program Service Fees	25,252	2.46%	16,533	1.57%	8,719	52.74%
Interest Income	477	0.05%	361	0.03%	116	32.13%
Miscellaneous	2,156	0.21%	1,106	0.11%	1,050	94.94%
Total Revenues	\$ 1,027,004	100%	\$ 1,050,213	100%	\$ (23,209)	-2.21%

Most of the Council's activities were funded by federal, state, and local grants, which comprise the Council's intergovernmental revenues. Most of these grants are restricted, which means that the money can only be used in certain programs. The amount of funds available from most of the grants remains rather constant from year-to-year, however, some grant amounts may vary based upon the level of service provided by the Council under the terms of the particular grant award. There were multiple reasons for the \$31,509 decrease in intergovernmental revenues this year. The primary reasons are because the Council received (1) \$25,356 less from DOTD's Section 5307 and Section 5311 transportation program grants and (2) \$6,734 less in health insurance reimbursements from the Tangipahoa Parish Government.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The Council also received donations from its clients and the general public. These revenues helped to lessen the financial burden on the Council and allowed it to maintain its usual services. The overall public support decreased by \$1,585 during FY 2019. Public support type revenues are voluntary in nature so the amount the Council receives is not guaranteed from year-to-year and fluctuations are expected to occur.

Program service fees are generated by the nonelderly transportation program. Program service fees increased by \$8,719 in FY 2019. This increase is directly related to an increase in revenues from contracted transportation services.

Expenditures

Total expenditures increased by \$6,453 this year, as shown in the table below.

	% of 2019		% of 2018		Increase/(Decrease)	
	2019	Total	2018	Total	Amount	Percent
Personnel	\$ 609,377	56.49%	\$ 586,610	54.70%	\$ 22,767	3.88%
Fringe	106,909	9.91%	96,850	9.03%	10,059	10.39%
Travel	10,593	0.98%	13,141	1.23%	(2,548)	-19.39%
Operating Services	113,108	10.48%	134,386	12.53%	(21,278)	-15.83%
Operating Supplies	91,355	8.47%	85,466	7.97%	5,889	6.89%
Other Costs	55,597	5.15%	54,380	5.07%	1,217	2.24%
Meals	76,373	7.08%	77,313	7.21%	(940)	-1.22%
Full Service Contracts	5,139	0.48%	3,703	0.35%	1,436	38.78%
Utility Assistance	244	0.02%	612	0.06%	(368)	-60.13%
Capital Outlay	1,506	0.14%	10,484	0.98%	(8,978)	-85.64%
Intergovernmental	8,627	0.80%	9,430	0.88%	(803)	NA
Total	\$ 1,078,828	100%	\$ 1,072,375	100%	\$ 6,453	0.60%

Personnel expenditures increased by nearly 4% since FY 2018. Each year changes in personnel costs will rise primarily because there are fluctuations in hours worked to meet the demand for services. The Council typically employs about 35 to 40 people at any given time throughout the year.

Fringe expenditures increased by \$10,059 this year primarily because the cost of workers compensation insurance increased by \$5,030 and health insurance costs increased by \$3,139.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Travel expenditures decreased by \$2,548 compared to last year primarily due to a decrease in mileage reimbursements relating to employees having to use their personal vehicles for Council business.

Operating services expenditures decreased this year by \$21,278 mainly because of a decrease in vehicle insurance premiums (\$14,424), vehicle maintenance costs (\$4,452), and telephone related costs (\$1,135).

Operating supplies expenditures increased this year by \$5,889 mainly because of increases in office supplies (\$2,523), program supplies (\$4,353) and vehicle fuel and supplies (\$3,926) and offsetting decreases in facility supplies (\$3,750), kitchen supplies (\$745) and homemaker supplies (\$383).

Other costs increased this year by a total of \$1,217 due to multiple reasons, most of which were relatively small in amount. However, the most notable change in this category of expenditures involved late fees and finance charges of about \$1,500 billed by Fuelman.

Meal expenditures decreased slightly by \$940 this year. This year the Council served 797 less total meals (611 congregate and 186 home-delivered) than it did last year.

Full service contract expenditures represent the services provided by an art instructor for the seniors and varies from year-to-year based on her level of service. This year she spent more time working with the senior citizens, which accounts for the \$1,436 increase in full service type expenditures.

Utility assistance expenditures decreased by \$368 because the Council had less funds available this year to provide this type of assistance than it did last year, plus demand was lower.

Capital outlay expenditures will vary from year-to-year based on the needs of the Council. Accordingly, expenditure patterns are not expected to be consistent as might be the case in the other expenditure categories. Overall, capital outlay expenditures decreased \$8,978 this year because the Council did not have the need to replace very many capital assets.

Intergovernmental expenditures represent amounts the Council has to pay as *matching* funds for the Tangipahoa Parish Government (TPG) to acquire vehicles under FTA grants that will be used by the Council upon delivery. The vehicles will be titled to the TPG instead of the Council, so this is why these expenditures are reported as intergovernmental instead of capital outlays. This year, the Council only paid for one *match* (\$8,627), whereas last year it also had one *match* but the cost of that match was higher at \$9,430.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

AN ANALYSIS OF THE GENERAL FUND BUDGET

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

When the budget was initially prepared, the Council forecasted that its General Fund expenditures plus transfers out to the special revenue funds would exceed its revenues and other financing sources by \$20,185, which means an operating deficit was being budgeted for the year. The Council was able to budget an operating deficit because it had \$174,555 of unassigned fund balance carrying over from last year. However, the actual operating deficit turned out to be \$43,540. As a result, the overall budget versus actual variance for the year was unfavorable (\$23,355).

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

- Intergovernmental revenues were \$10,712 more than budgeted because GOEA awarded two supplemental senior center grants after the budget had been prepared.
- Public support revenues were \$23,525 more than anticipated. The Council has no control over how and when this type of revenue is generated.
- The amount of Section 5311 and 5307 funds forecasted for the general public transportation programs were understated for the General Fund and overstated for the Title III B Fund. The miscalculation caused an appearance of a \$19,369 favorable variance to arise in the General Fund revenues and an offsetting unfavorable variance of \$59,054 in the Title III B Fund for this revenue line item.
- The Council received \$9,748 less from program service fees than anticipated.
- The sum of the various favorable and unfavorable variances for the components of the current operating expenditures equals \$41,755 (favorable). For the most part, variances in these expenditure accounts is due to how transportation and indirect costs are allocated. If actual direct costs incurred within the special revenue funds are more than budgeted, then the special revenue funds will absorb more of the cost allocations from the indirect and transportation cost pools. As a result, the various current expenditure categories will typically show favorable variances. Accordingly, the expectation will be that the transfers out line item will show an unfavorable variance to parallel the sum of the current expenditure variances. In this case, the transfers out show an unfavorable variance of \$94,038, which has contributed the most to the overall net unfavorable variance for the general Fund.
- Capital outlay expenditures were \$1,506 more than budgeted because the need for a new hot food table arose after the budget had been prepared.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

- Intergovernmental expenditures were \$8,627 more than budgeted as these were overlooked during the budget process.

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

ANALYSIS OF CAPITAL ASSETS AND DEBT ADMINISTRATION

Net capital assets decreased by \$19,368 as shown below.

<u>Capital Assets, Net of Depreciation</u>			
	<u>2019</u>	<u>2018</u>	<u>Increase/ (Decrease)</u>
Vehicles	\$ 29,078	\$ 45,740	\$ (16,662)
Office furniture and equipment	5,336	6,822	(1,486)
Nutrition equipment	3,111	2,320	791
Leasehold improvements	16,285	18,296	(2,011)
	<u>\$ 53,810</u>	<u>\$ 73,178</u>	<u>\$ (19,368)</u>

During the year, the Council did not dispose of any capital assets that were owned by the Council. The Council only bought one new hot food table for \$1,506. Depreciation expense for the year on capital assets was \$20,874.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Council receives most of its funding from federal and state agencies. Because of this, the source of income for the Council is rather steady. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council, and therefore, revenues may vary from year to year. All of the Council's grants and contracts from the usual federal and state agencies have been awarded for FY 2020 and management is unaware of any significant adverse changes to the funding levels or terms of these grants and contracts.

Management has initially budgeted \$1,039,908 in revenues and \$1,089,784 in expenditures for the Council's programs in FY 2020. The Council has sufficient unassigned fund balance to be able to cover the budgeted deficit of \$49,876. The budget for next year has been approved.

CONTACTING THE COUNCIL'S MANAGEMENT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

June 30, 2019

	Governmental Activities
ASSETS	
Current Assets:	
Cash and Investments	\$ 70,017
Receivables:	
Tangipahoa Parish Government (section 5311 & 5307 grant funds)	68,183
Capital Area Agency on Aging (CAAA)	8,164
Contracted Meal Delivery Services	2,768
Contracted Transportation Services	1,387
GOEA	1,500
Other	6,403
Prepaid Expenses	9,932
Total current assets	168,354
Other Asset - prepaid expense for long-term vehicle use	20,115
Capital assets, net of accumulated depreciation	53,810
Total Assets	242,279
LIABILITIES	
Current Liabilities:	
Accounts payable	14,525
Accrued expenses	2,310
Total current liabilities	16,835
NET POSITION	
Net investment in capital assets	53,810
Restricted for:	
Utility Assistance	105
Arts Council	2,050
Birthday Parties	4,758
Senior Citizen Activities	7,343
Unrestricted	157,378
Total Net Position	\$ 225,444

The accompanying notes are an integral part of this statement.

Statement of Activities

The Tangipahoa Voluntary Council on Aging
 Amite, Louisiana
 For the year ended June 30, 2019

Functions/Programs	Program Revenues					Total Governmental Activities	Net (Expense) Revenue and Increase (Decrease) in Net Position
	Direct Expenses	Indirect Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Governmental Activities							
Health, Welfare & Social Services:							
Supportive Services:							
Transportation of the elderly	\$ 394,073	\$ 226,376	\$ 6,008	\$ 287,077	\$ 0	\$ (327,364)	
Homemaker	37,174	22,160	0	16,349	0	(42,985)	
Information and Assistance	5,049	3,010	0	6,805	0	(1,254)	
Outreach	398	237	0	468	0	(167)	
Telephoning	1,733	1,033	0	7,717	0	4,951	
Utility Assistance	244	0	0	206	0	(38)	
Medic Alert Devices	3,439	158	0	3,635	0	38	
Nutrition Services:							
Congregate Meals	56,417	27,738	0	72,608	0	(11,547)	
Home Delivered Meals	117,158	26,404	0	83,529	0	(60,033)	
Transportation Services - non elderly	101,603	57,607	25,528	121,002	0	(12,680)	
Family Caregiver Support	37	22	0	150	0	91	
Other Senior Citizen Activities	13,797	0	0	14,557	0	760	
Administration	364,745	(364,745)	0	0	0	0	
Total governmental activities	\$ 1,095,867	\$ 0	\$ 31,536	\$ 614,103	\$ 0	\$ (450,228)	
General Revenues:							
Grants and contributions not restricted to specific programs					383,743		
Gain on sale of vehicles					2,000		
Miscellaneous income					1,440		
Interest income					477		
Total general revenues					<u>387,660</u>		
Increase (Decrease) in net position						(62,568)	
Net position - beginning of the year						<u>288,012</u>	
Net position - end of the year						<u>\$ 225,444</u>	

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

**Fund Balance Sheet
Governmental Funds**

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

June 30, 2019

	General Fund	Title III B Fund	Title III C-1 Fund	Title III C-2 Fund	Non-Major Funds	Total Governmental Funds
ASSETS						
Cash and Investments	\$ 64,700	\$ 0	\$ 3,074	\$ 2,243	\$ 0	\$ 70,017
Receivables:						
Tangipahoa Parish Government	17,132	51,051	0	0	0	68,183
Capital Area Agency on Aging	0	1,735	2,656	3,773	0	8,164
Contracted Meal Delivery Services	0	0	0	2,768	0	2,768
Contracted Transportation Services	1,387	0	0	0	0	1,387
GOEA	1,500	0	0	0	0	1,500
Other	6,284	0	119	0	0	6,403
Prepaid expenditures	350	0	0	0	0	350
Due from other governmental funds	52,157	0	0	0	0	52,157
Total Assets	\$ 143,510	\$ 52,786	\$ 5,849	\$ 8,784	\$ 0	\$ 210,929
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	27	0	5,780	8,718	0	14,525
Accrued expenses	1,546	629	69	66	0	2,310
Due to other governmental funds	0	52,157	0	0	0	52,157
Total Liabilities	1,573	52,786	5,849	8,784	0	68,992
Fund Balances						
Nonspendable - prepaid expenditures	350	0	0	0	0	350
Restricted for:						
Senior Citizen Activities	7,343	0	0	0	0	7,343
Utility Assistance	105	0	0	0	0	105
Arts Council	2,050	0	0	0	0	2,050
Birthday Parties	4,758	0	0	0	0	4,758
Unassigned	127,331	0	0	0	0	127,331
Total Fund Balances	141,937	0	0	0	0	141,937
Total Liabilities and Fund Balances	\$ 143,510	\$ 52,786	\$ 5,849	\$ 8,784	\$ 0	

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

- Prepaid expenses relating to vehicle usage are not financial resources and therefore are not reported as assets in the governmental funds	29,697
- Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds as assets in the governmental funds	53,810
Net Position of Governmental Activities	\$ 225,444

The accompanying notes are an integral part of this statement.

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

The Tangipahoa Voluntary Council on Aging
Amite, Louisiana

For the year ended June 30, 2019

	General Fund	Title III B Fund	Title III C-1 Fund	Title III C-2 Fund	Nonmajor Funds	Total Governmental Funds
REVENUES						
Intergovernmental:						
Capital Area Agency on Aging (CAAA)	\$ 0	\$ 122,987	\$ 54,538	\$ 57,419	\$ 150	\$ 235,094
City of Amite	0	0	0	10,824	0	10,824
City of Hammond	50,000	0	0	0	0	50,000
City of Ponchatoula	29,076	0	0	0	0	29,076
Governor's Office of Elderly Affairs (GOEA)	179,807	0	0	0	0	179,807
Tangipahoa Parish Government (TPG)	167,182	192,946	0	0	0	360,128
Town of Kentwood	0	2,000	0	0	0	2,000
United Way	0	0	0	11,370	0	11,370
Public Support (Restricted):						
Client contributions	0	4,118	17,912	3,916	0	25,946
Other donors	14,693	0	0	0	0	14,693
Public Support (Unrestricted):						
United Way	30,894	0	0	0	0	30,894
Ray Smith Memorial Fund	20,000	0	0	0	0	20,000
Fundraisers	28,961	0	0	0	0	28,961
Other donors	326	0	0	0	0	326
Program Service Fees- transportation services	25,252	0	0	0	0	25,252
Interest income	477	0	0	0	0	477
Miscellaneous	1,998	0	158	0	0	2,156
Total revenues	548,666	322,051	72,608	83,529	150	1,027,004
EXPENDITURES						
Health, Welfare, & Social Services:						
Current:						
Personnel	88,899	415,150	57,261	48,020	47	609,377
Fringe	17,481	72,413	8,809	8,198	8	106,909
Travel	614	8,651	247	1,081	0	10,593
Operating Services	18,446	85,520	2,919	6,221	2	113,108
Operating Supplies	23,220	62,070	1,658	4,406	1	91,355
Other Costs	15,677	34,291	3,108	2,519	2	55,597
Meals	0	0	9,171	67,202	0	76,373
Full Service Contracts	5,139	0	0	0	0	5,139
Utility Assistance	244	0	0	0	0	244
Capital Outlay	1,506	0	0	0	0	1,506
Intergovernmental	8,627	0	0	0	0	8,627
Total expenditures	179,853	678,095	83,173	137,647	60	1,078,828
Excess of revenues over (under) expenditures	368,813	(356,044)	(10,565)	(54,118)	90	(51,824)
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of vehicles	2,000	0	0	0	0	2,000
Proceeds from Insurance	276	6,008	0	0	0	6,284
Operating transfers in	90	350,036	10,565	54,118	0	414,809
Operating transfers out	(414,719)	0	0	0	(90)	(414,809)
Total other financing sources and uses	(412,353)	356,044	10,565	54,118	(90)	8,284
Net increase (decrease) in fund balances	(43,540)	0	0	0	0	(43,540)
FUND BALANCE (DEFICIT)						
Beginning of year	185,477	0	0	0	0	185,477
End of year	\$ 141,937	\$ 0	\$ 0	\$ 0	\$ 0	\$ 141,937

The accompanying notes are an integral part of this statement.

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

**The Tangipahoa Voluntary Council on Aging
Amite, Louisiana
For the year ended June 30, 2019**

Net Increase (Decrease) in Fund Balances - Total Governmental Funds	\$	(43,540)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$20,874) exceeded capital outlays (\$1,506) this year.

		(19,368)
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Governmental funds report the amounts the Council expends as local *matching* funds on capital assistance grants, which results in another government obtaining title to the capital assets acquired under the grants, as intergovernmental expenditures. However, because the Council gets to use the capital assets in lieu of having paid the required local match, the Council records the amounts it paid in the Statement of Net Position as a prepaid expense, which will be amortized over the estimated useful lives of the capital assets. This reconciling amount represents the amount by which intergovernmental expenditures (\$8,627) exceeded amortization expense (\$8,287) this year.

		340
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Increase (Decrease) of Net Position of Governmental Activities	\$	<u>(62,568)</u>
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The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS**The Tangipahoa Voluntary Council on Aging
Amite, Louisiana
June 30, 2019****Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies**

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

a. Purpose of the Council on Aging

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

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

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

meals, and family caregiver support. The Council also provides transportation services to the general public (no age restrictions).

b. Reporting Entity

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

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

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

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

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

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

Those persons that have been recommended are presented at the Council's annual meeting and elected by the general membership.

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

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

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

c. Basis of Presentation of the Basic Financial Statements

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

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

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

Government-Wide Financial Statements:

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

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

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

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

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

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

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

Fund Financial Statements:

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

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

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

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

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

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

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

General Fund

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

Local Programs and Funding

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

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

PCOA Funding

Parish Council on Aging (PCOA) funds are appropriated annually for the Council by the Louisiana Legislature and remitted to the Council via GOEA. The Council's management may use these funds at its discretion to fund any of its programs provided the program is benefiting people who are at least 60 years old. In FY 2019, the Council received \$50,728 of PCOA funds, which were initially recorded as revenues of the General Fund. Subsequently, management transferred all \$50,728 of the PCOA funds to the Title III B Supportive Services Fund to subsidize that fund's program expenditures.

Senior Center and Supplemental Senior Center Funding

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

Senior centers are located throughout the parish and are designed to allow the elderly person a place to go to obtain health, welfare and social services. The Council maintains five senior centers in Tangipahoa Parish. During the year, management transferred all senior center grant funds to the Title III B Fund to subsidize that fund's cost of providing congregate related social services to elderly persons who used the senior centers.

Medicare Improvement for Patients and Providers Act (MIPPA) Program

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

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

Transportation Program Services - Nonelderly

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

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

- The Council transports people under age 60 who pay cash fares for the service. Passengers are charged a \$9 fee per one-way trip regardless of the length of the trip. These revenues and the related expenditures are accounted for in this program, which is referred to as *General Public Transportation*. In FY 2019 this transportation service generated \$1,548 of program service fees.
- The Council has agreements with various entities in Tangipahoa Parish to transport people for a negotiated fee per trip. Some of the most notable entities that use this service are the Tangipahoa Parish Tourist Commission, Southern Vintage Market, and Beacon Hospital Management. The Council earned \$18,941 in program service fees from these companies.
- The Council also provides city bus type services to the general public in Hammond and Ponchatoula. The Council generated \$4,763 in fees from its bus services.

Fundraisers

The Council held fundraisers during the year for the purpose of raising additional unrestricted operating funds and to promote community awareness about the needs of the elderly population within Tangipahoa Parish.

The main fundraiser is one that the Council holds each year and is referred to as *Walking for Seniors*. It was held in conjunction with the Council's annual picnic in May 2019. Program participants and Council employees volunteer their time to solicit pledges from businesses and individuals of Tangipahoa Parish. To *earn* the

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

pledge, the participants walk distances within a designated area at the picnic. The gross revenue from this fundraiser was \$24,611 whereas the direct costs were \$1,988.

The Council also held two other fundraisers - *Hammond Blues & BBQ* and *Vehicle Sponsorships*. The gross revenues from these fundraisers were \$750 and \$3,600, respectively. There were no direct costs associated with producing these revenues.

Other Senior Citizen Activities

The Council operates senior centers in Hammond, Amite, Kentwood, Independence, and Ponchatoula. The participants at each of these centers solicit public support and raise funds through activities to help offset the cost of activities not paid for through the primary grant to operate senior centers from GOEA. Examples of the types of activities used to raise these funds include craft sales, ceramic sales, soft drink sales, and recycling income. The revenues and related expenditures for each senior center's non-program activities are maintained in separate accounts within the Council's general ledger. The total gross revenue from the general public donations and the activities of the individual senior centers was \$4,154 this year.

The Council has an art class for its seniors and this class was funded by a grant (\$5,902) from the Arts Council of Greater Baton Rouge and birthday parties for its seniors that were financed by a donation (\$4,501) from Peoples Health Network.

Utility Assistance

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

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

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

During the year, the Council provided 1 unit of financial utility assistance. The maximum amount of utility assistance a person can receive in one year is usually limited to \$300.

Special Revenue Funds

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

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

Major Governmental Funds:

Title III B Fund

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

Type of Service Provided	Units
Information and Assistance	1,259
Outreach	71
Homemaker	2,273
Telephoning	5,354
Transportation for people age 60 or older	22,302
Medic Alert Units	116

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

- A grant from GOEA via CAAA for *Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers* (\$122,987).

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

- Two grants from the Louisiana Department of Transportation and Development (DOTD) which are passed through the Tangipahoa Parish Government (TPG) to the Council for public transportation services. These grants reimburse the Council 50% of the cost of providing public transportation services. The portion (\$192,946) of these grants that was used to pay for the transportation costs for elderly riders has been recorded as revenue in this fund.
- An annual grant of \$2,400 from the Town of Kentwood that is to be used to pay for the costs of transporting the elderly in that town.
- Restricted, voluntary public support (\$4,118) from persons who actually received homemaker and transportation services.

Title III C-1 Fund

The Title III C-1 Fund accounts for funds used to provide nutritional, congregate meals to people age 60 or older in strategically located centers throughout Tangipahoa Parish. The Council maintains meal-sites in Amite, Independence, Kentwood, Hammond, and Ponchatoula. During the year the Council reported to CAAA that it provided 36,691 meals to eligible participants. The Council also reported 217 units of nutrition education.

The sources of revenues received this year that form the basis of this fund are (1) *Special Programs for the Aging - Title III, Part C-1 - Nutrition Services* grant funds (\$54,538) from GOEA via CAAA and (2) restricted, voluntary public support (\$17,912) from those persons who received congregate meals.

Title III C-2 Fund

The Title III C-2 Fund accounts for funds that are used to provide nutritional meals to homebound people who are age 60 or older. During the year the Council reported to CAAA that it provided 57,891 home-delivered meals to eligible participants. The Council also reported 230 units of nutrition education.

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

The main sources of revenues received this year that form the basis of this fund are (1) *Special Programs for the Aging - Title III, Part C-2 - Nutrition Services* grant funds (\$57,419) from GOEA via CAAA; (2) intergovernmental funds from the City of Amite (\$10,824); (3) United Way Funds (\$11,370); and (4) restricted, voluntary public support (\$3,916) from the general public, including those persons actually receiving home-delivered meal services.

Nonmajor Governmental Funds:

Title III E Fund

The Title III E Fund is used to account for funds that are used to provide support services for family caregivers and for grandparents or older individuals who are relative caregivers. During the year, the Council reported to CAAA that it provided 5 units of information and assistance to eligible participants. The source of the revenue forming the basis for this fund is a \$150 grant the Council received from GOEA via CAAA for the *Title III, Part E - National Family Caregivers Support Program*.

d. Measurement Focus and Basis of Accounting

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

Government-Wide Financial Statements - Accrual Basis

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

Fund Financial Statements - Modified Accrual Basis

Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. A current financial resources measurement focus means that only

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

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.

e. Interfund Activity

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

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

f. Cash

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

For the purposes of the Statement of Net Position, restricted cash are amounts received or earned by the Council with an explicit understanding between the Council and the resource provider that the resource would be used for a specific purpose. At year end, the line item *Cash and Investments* on the Statement of Net

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

Position includes \$14,256 of restricted cash. The Council has presented restricted cash as a component of current assets in the Statement of Net Position because of its availability for use in current operations.

g. Receivables

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

h. Investments

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

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

However, the Council invested funds in the Louisiana Asset Management Pool (LAMP). LAMP is a local government 2a7-like investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. A 2a7-like pool is an external investment pool that is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940. However, LAMP, Inc. is subject to regulatory oversight by the state treasurer and its board of directors. For financial statement purposes, LAMP investments are valued and reported at fair value based on quoted market rates. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares

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

sold and redeemed, investments are valued at amortized cost. LAMP seeks to maintain a stable net asset value of \$1.00 per unit, but there are no assurances that LAMP will be able to always achieve this objective. Because of its liquidity, the balance in the LAMP account is classified as a current asset on the Statement of Net Position.

i. Prepaid Expenses/Expenditures

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

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

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

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

j. Capital Assets

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

Government-Wide Financial Statements

Capital assets are long-lived assets purchased or acquired with an original cost of at least \$1,000 and have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the government-wide Statement of Net Position. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation. Capital assets will also include major repairs to equipment and vehicles that significantly extend the asset's useful life. Routine repairs and maintenance are expensed as incurred.

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

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

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

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

Fund Financial Statements

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

k. Non-Current (Long-term) Liabilities

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

l. Unpaid Compensated Absences

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

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

m. Advances from Funding Agencies

The Council reports advances from funding agencies on both the Statement of Net Position (government-wide) and the Balance Sheet (fund financial statements). Advances from funding agencies represent unexpended balances of grants awarded to the Council that are required to be returned to the funding agency at the end of

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

the grant period. Grant funds due back to the funding agency are recorded as a liability when the amount due becomes known, normally when a final accounting is submitted to the funding agency. The Council did not have any advances from funding agencies at year-end.

n. Deferred Revenue

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

o. Deferred Outflows and Inflows of Resources

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

p. Net Position in the Government-wide Financial Statements

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

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

- *Net investment in capital assets* – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding debt attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in this component of net position. Rather, that portion of the debt is included in the same component of net position as the

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

unspent proceeds. At year-end, the Council did not have any borrowings that were related to capital assets.

- *Restricted net position* - This component reports the amount of net position with externally imposed constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- *Unrestricted net position* - This component is the balance (deficit) of all other elements in the statement of net position remaining after net investment in capital assets and restricted net position.

q. Fund Equity - Fund Financial Statements

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

- *Nonspendable*: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being nonspendable because these items are not expected to be converted to cash.
- *Restricted*: This classification includes amounts for which constraints have been placed on the use of resources and are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.
- *Committed*: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Council's board of directors, which is the Council's

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

highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council did not have any committed resources as of year-end.

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

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

r. Management's Use of Estimates

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

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

s. Allocation of Indirect Expenses

The Council reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are recorded as direct costs of the Administration function. The net cost of the Administration function is allocated 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. In addition, if the program's activities are immaterial, management may not elect to allocate any indirect costs to the program.

t. Elimination and Reclassifications

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

Note 2 - Revenue Recognition

Revenues are recorded in the government-wide financial statements when they are earned using the accrual basis of accounting.

Revenues are recorded in the fund financial statements using the modified accrual basis of accounting. In applying the susceptible to accrual concept using this basis of accounting, intergovernmental grant revenues, program service fees (charges for services), and interest income must be both measurable and available. However, the timing and amounts of the receipts of public support and miscellaneous revenues are often difficult to measure; therefore, they are recorded as revenue in the period received.

Note 3 - Cash Management, Deposits and Investments

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

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

The Council maintains a petty cash fund (approximately \$200) at its main office to pay for small, unexpected expenses that might arise during daily operations.

During the year the Council might accumulate cash in excess of its immediate needs. To maximize its revenues, the Council's management will invest the excess cash. The Council's management has adopted an investment policy that is intended to follow Louisiana Revised Statute 33:2955, which sets forth a list of the types of investments in which a political subdivision may invest its temporarily idle funds. Accordingly, the Council's management invested \$10,707 in the Louisiana Asset Management Pool (LAMP). This type of investment complies with state law and the Council's investment policy.

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

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

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

- Credit risk: LAMP is rated AAAm by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is generally restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM (to reset) for LAMP's total investments is 33 days and the WAM (to final) is 99 days as of June 30, 2019.
- Foreign currency risk: Not applicable to 2a7-like pools.

Exhibit F - Continued

At June 30, 2019, the Council's cash and investments consisted of the following:

<u>Cash & Investments</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Credit Risk Category</u>
Cash:					
The First Bank	\$ 57,102	\$ 57,102	0.15%	Demand	Category 1
Undeposited Cash	2,000	2,000	None	N/A	None
Petty Cash	208	208	None	N/A	None
Total Cash	<u>59,310</u>	<u>59,310</u>			
Investments:					
LAMP	10,707	10,707	2.43%	Demand	Not Required
Total Investments	<u>10,707</u>	<u>10,707</u>			
Total Cash & Investments	<u>\$ 70,017</u>	<u>\$ 70,017</u>			
Unrestricted Purpose	\$ 55,761				
Restricted Purpose:					
Senior Citizen Activities	14,151				
Utility Assistance	105				
Total Cash & Investments	<u>\$ 70,017</u>				

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

Note 4 - Prepaid Expenditures and Expenses

At year-end, there were \$350 of prepaid expenditures in the Fund Balance Sheet related to prepaid training classes (\$250) and prepaid dues (\$100) that the Council expects to consume during the next fiscal year.

Exhibit F - Continued

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

	Current Portion	Noncurrent Portion
Prepaid Training Classes	\$ 250	\$ 0
Prepaid Dues	100	0
Unamortized vehicle usage	9,582	20,115
Total prepaid expenses	\$ 9,932	\$ 20,115

The current portion of the unamortized vehicle usage represents that amount that management expects the Council to consume and economically benefit from in the next fiscal year. The noncurrent portion represents the amount of vehicle usage that will be consumed in future years.

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

Note 5 - Changes in Capital Assets and Accumulated Depreciation

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

Capital Assets Being Depreciated	Balance June 30, 2018	Additions	Decreases	Balance June 30, 2019
Vehicles	\$ 181,750	\$ 0	\$ 0	\$ 181,750
Office furniture and equipment	11,416	0	0	11,416
Nutrition equipment	2,784	1,506	0	4,290
Leasehold improvements	41,333	0	0	41,333
Total Capital Assets	237,283	1,506	0	238,789
Less Accumulated Depreciation:				
Vehicles	136,010	16,662	0	152,672
Office furniture and equipment	4,594	1,486	0	6,080
Nutrition equipment	464	715	0	1,179
Leasehold improvements	23,037	2,011	0	25,048
Total Accumulated Depreciation	164,105	20,874	0	184,979
Capital Assets Net of Depreciation	\$ 73,178	\$ (19,368)	\$ 0	\$ 53,810

None of the above amounts includes any donated asset.

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

Depreciation was charged to governmental activities as follows:

Administration	\$ 3,497
Supportive Services:	
Transportation of the elderly	10,929
Nutrition Services:	
Congregate meals	715
Home delivered meals	5,662
Transportation - non elderly	<u>71</u>
Total depreciation expense	<u>\$ 20,874</u>

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

expenses. The other depreciation amounts (\$17,377) are charged as direct expenses to their related functions on the Statement of Activities.

Note 6 - Fund Balances - Fund Financial Statements

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

The General Fund has \$14,256 of restricted funds to be used specifically for senior citizen activities at various senior centers (\$14,151) and Utility Assistance (\$105).

Note 7 - In-Kind Contributions

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

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

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

Facility rental	\$	145,340
Utilities for facilities		13,384
Janitorial and maintenance services		9,975
Insurance		9,859
Telephone		1,966
Van usage		49,615
Total estimated in-kind contributions	\$	<u>230,139</u>

Note 8 - Board of Directors' Compensation

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

Note 9 - Income Tax Status

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

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

Note 10 - Cooperative Endeavor Agreement

On February 6, 2001 the Louisiana State Board of Elementary and Secondary Education (BESE) approved a 20-year cooperative endeavor agreement between it and the Council for the Hammond senior center building. The Council has the option to renew this lease for four consecutive additional terms of five years each provided the Council has maintained the building and submitted its request to renew in writing to BESE at least sixty days before the end of each five-year term. The Council is responsible for all interior and exterior repairs, utilities, the property insurance premium, and must maintain a minimum of \$1,000,000 of liability insurance coverage on the property. BESE does not charge the Council any rent to use the building.

Note 11 - Judgments, Claims, and Similar Contingencies

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

Note 12 - Contingencies - Grant Programs

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

Note 13 - Economic Dependency

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

Note 14 - Risk Management

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

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

Note 15 - Interfund Receivables and Payables - Fund Financial Statements

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

	<u>Receivable From</u>	<u>Payable To</u>
General Fund:		
Major Funds:		
Title III B	\$ 52,157	\$ 0
Totals for the General Fund	<u>52,157</u>	<u>0</u>
Special Revenue Funds:		
Major Funds:		
Title III B:		
General Fund	0	52,157
Totals for Special Revenue Funds	<u>0</u>	<u>52,157</u>
Totals for All Funds	<u>\$ 52,157</u>	<u>\$ 52,157</u>

Note 16 - Related Party Transactions

There were no related party transactions during the fiscal year.

Note 17 - Purchase Commitments

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

Note 18 - Interfund Transfers

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

	Operating Transfers	
	In From	Out To
General Fund:		
Title III B Fund	\$ 0	\$ 350,036
Title III C-1 Fund	0	10,565
Title III C-2 Fund	0	54,118
Nonmajor Funds	90	0
Total General Fund	<u>90</u>	<u>414,719</u>
Title III B - Fund:		
General Fund - PCOA grant	\$ 50,728	\$ 0
General Fund - Senior Center grant	114,567	0
General Fund - Sup. Senior Center grant 1	3,100	0
General Fund - Sup. Senior Center grant 2	7,812	
General Fund - various local funds	<u>173,829</u>	<u>0</u>
Total Title III B Fund	<u>350,036</u>	<u>0</u>
Title III C-1 Fund:		
General Fund - various local funds	\$ 10,565	\$ 0
Total Title III C-1 Fund	<u>10,565</u>	<u>0</u>
Title III C-2 - Fund:		
General Fund - various local funds	\$ 54,118	\$ 0
Total Title III C-2 Fund	<u>54,118</u>	<u>0</u>
Nonmajor Funds in the Aggregate:		
Title III E:		
General Fund	\$ 0	\$ 90
Total for Nonmajor Funds	<u>0</u>	<u>90</u>
Grand Totals	<u>\$ 414,809</u>	<u>\$ 414,809</u>

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

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

Note 19 - Subsequent Events

Management has evaluated subsequent events through December 13, 2019, which is the date the financial statements were available to be issued. There were no events that required disclosure.

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GASB 34

Budgetary Comparison Schedule - General Fund
The Tangipahoa Voluntary Council on Aging
Amite, Louisiana
For the year ended June 30, 2019

	Budgeted Amounts	Actual Amounts	Variance with Final Budget
	Original (Unamended)	Modified Accrual Basis	Favorable (Unfavorable)
REVENUES			
Intergovernmental:			
Governor's Office of Elderly Affairs:			
PCOA	\$ 50,728	\$ 50,728	\$ 0
Senior Center primary grant	114,567	114,567	0
Supplemental Senior Center grant #1	0	3,100	3,100
Supplemental Senior Center grant #2	0	7,812	7,812
MIPPA	3,600	3,600	0
Tangipahoa Parish Government:			
Annual Award	60,000	60,000	0
Health Insurance Reimbursements	46,951	39,813	(7,138)
Section 5311 and 5307 Pass-through Grants	48,000	67,369	19,369
City of Hammond	50,000	50,000	0
City of Ponchatoula	29,076	29,076	0
Public Support - restricted	8,942	14,693	5,751
Public Support - unrestricted	62,407	80,181	17,774
Program Service Fees- transportation services	35,000	25,252	(9,748)
Interest Income	600	477	(123)
Miscellaneous	100	1,998	1,898
Total revenues	509,971	548,666	38,695
EXPENDITURES			
Current:			
Personnel	99,275	88,899	10,376
Fringe	18,068	17,481	587
Travel	2,302	614	1,688
Operating Services	41,616	18,446	23,170
Operating Supplies	36,536	23,220	13,316
Other Costs	9,486	15,677	(6,191)
Meals	0	0	0
Full Service Contracts (art instructor)	4,192	5,139	(947)
Utility Assistance	0	244	(244)
Capital Outlay	0	1,506	(1,506)
Intergovernmental	0	8,627	(8,627)
Total expenditures	211,475	179,853	31,622
Excess of revenues over expenditures	298,496	368,813	70,317
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of vehicles	2,000	2,000	0
Proceeds from insurance	0	276	276
Transfers in	0	90	90
Transfers out	(320,681)	(414,719)	(94,038)
Total other financing sources and uses	(318,681)	(412,353)	(93,672)
Net increase (decrease) in fund balance	\$ (20,185)	(43,540)	\$ (23,355)
FUND BALANCE			
Beginning of year		185,477	
End of year		\$ 141,937	

See auditor's report and notes to required supplementary information.

Budgetary Comparison Schedule - Title III B Fund

**The Tangipahoa Voluntary Council on Aging
Amite, Louisiana
For the year ended June 30, 2019**

	Budgeted Amounts	Actual Amounts	Variance with Final Budget
	Original (Unamended)	Modified Accrual Basis	Favorable (Unfavorable)
REVENUES			
Intergovernmental:			
Capital Area Agency on Aging (CAAA)	\$ 122,985	\$ 122,987	\$ 2
Tangipahoa Parish Government - Section 5311 & 5307	252,000	192,946	(59,054)
Town of Kentwood	2,400	2,000	(400)
Public Support - restricted (client contributions)	19,378	4,118	(15,260)
Total revenues	396,763	322,051	(74,712)
EXPENDITURES			
Current:			
Personnel	357,093	415,150	(58,057)
Fringe	57,191	72,413	(15,222)
Travel	11,437	8,651	2,786
Operating Services	106,670	85,520	21,150
Operating Supplies	43,451	62,070	(18,619)
Other Costs	18,120	34,291	(16,171)
Full Service Contracts	0	0	0
Total expenditures	593,962	678,095	(84,133)
Excess of expenditures over revenues	(197,199)	(356,044)	(158,845)
OTHER FINANCING SOURCES (USES)			
Proceeds from Insurance	0	6,008	6,008
Transfers in	197,199	350,036	152,837
Transfers out	0	0	0
Total other financing sources and uses	197,199	356,044	158,845
Net increase (decrease) in fund balance	\$ 0	0	\$ 0
FUND BALANCE			
Beginning of year		0	
End of year		\$ 0	

See auditor's report and notes to required supplementary information.

Budgetary Comparison Schedule - Title III C-1 Fund

**The Tangipahoa Voluntary Council on Aging
Amite, Louisiana
For the year ended June 30, 2019**

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original (Unamended)</u>	<u>Modified Accrual Basis</u>	<u>Favorable (Unfavorable)</u>
REVENUES			
Intergovernmental:			
Capital Area Agency on Aging (CAAA)	\$ 54,399	\$ 54,538	\$ 139
Public Support- restricted (client contributions)	19,580	17,912	(1,668)
Miscellaneous (alternate vendor)	0	158	158
Total revenues	<u>73,979</u>	<u>72,608</u>	<u>(1,371)</u>
EXPENDITURES			
Current:			
Personnel	97,910	57,261	40,649
Fringe	13,838	8,809	5,029
Travel	808	247	561
Operating Services	5,629	2,919	2,710
Operating Supplies	3,334	1,658	1,676
Other Costs	1,957	3,108	(1,151)
Full Service Contracts	0	0	0
Meals	8,533	9,171	(638)
Total expenditures	<u>132,009</u>	<u>83,173</u>	<u>48,836</u>
Excess of expenditures over revenues	<u>(58,030)</u>	<u>(10,565)</u>	<u>47,465</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	58,030	10,565	(47,465)
Transfers out	0	0	0
Total other financing sources and uses	<u>58,030</u>	<u>10,565</u>	<u>(47,465)</u>
Net increase (decrease) in fund balance	<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>
FUND BALANCE			
Beginning of year		<u>0</u>	
End of year		<u>\$ 0</u>	

See auditor's report and notes to required supplementary information.

Budgetary Comparison Schedule - Title III C-2 Fund

**The Tangipahoa Voluntary Council on Aging
Amite, Louisiana
For the year ended June 30, 2019**

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original (Unamended)</u>	<u>Modified Accrual Basis</u>	<u>Favorable (Unfavorable)</u>
REVENUES			
Intergovernmental:			
Capital Area Agency on Aging (CAAA)	\$ 57,419	\$ 57,419	\$ 0
City of Amite	0	10,824	10,824
United Way of America	12,000	11,370	(630)
Public Support - restricted (client contributions)	4,965	3,916	(1,049)
Total revenues	<u>74,384</u>	<u>83,529</u>	<u>9,145</u>
EXPENDITURES			
Current:			
Personnel	49,716	48,020	1,696
Fringe	7,466	8,198	(732)
Travel	584	1,081	(497)
Operating Services	10,142	6,221	3,921
Operating Supplies	3,032	4,406	(1,374)
Other Costs	1,142	2,519	(1,377)
Full Service Contracts	0	0	0
Meals	67,737	67,202	535
Total expenditures	<u>139,819</u>	<u>137,647</u>	<u>2,172</u>
Excess of expenditures over revenues	<u>(65,435)</u>	<u>(54,118)</u>	<u>11,317</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	65,435	54,118	(11,317)
Transfers out	0	0	0
Total other financing sources and uses	<u>65,435</u>	<u>54,118</u>	<u>(11,317)</u>
Net increase (decrease) in fund balance	<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>
FUND BALANCE			
Beginning of year		<u>0</u>	
End of year		<u>\$ 0</u>	

See auditor's report and notes to required supplementary information.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
The Tangipahoa Voluntary Council on Aging
Amite, Louisiana
For the Year Ended June 30, 2019

Note 1 - Budgetary Reporting

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

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

- The Capital Area Agency on Aging - District II Inc., (CAAA) notifies the Council each year as to the funding levels for each program's grant award.
- Revenue projections are also made based on grants from GOEA and other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- Expenditure projections are developed using historical information and changes to the upcoming year that management is aware of at the time of budget preparation.
- Once the information regarding projected revenues and expenditures has been obtained, the Council's executive director and bookkeeper prepare a proposed budget based on the projections. The proposed budget is submitted to the Board of Directors for final approval.
- The Board of Directors reviews and adopts the budget for the next fiscal year at a regularly scheduled board meeting before May 31 of the current fiscal year. The budget for FY 2019 was adopted at a board meeting on April 11, 2018.
- The adopted budget is forwarded to CAAA for compliance approval for the funds it will pass through to the Council from GOEA.
- Unused budget amounts lapse at the end of each fiscal year (June 30). However, if a grant or contract is not completed by June 30, management will automatically budget funds in the next fiscal year to complete the grant or contract. An example

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Continued)

where this might occur is when vehicles are acquired under a federal matching program. The *match* might be made in one year and the vehicle delivered in another year.

- The budget is prepared on a modified accrual basis, consistent with the basis of accounting for governmental funds, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying required supplementary information include the original adopted budget amounts and all subsequent amendments. The Council did not amend its FY 2019 budget.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The Council may transfer funds between line items as often as required but must obtain compliance approval from the CAAA and GOEA for funds received under grants and contracts from these agencies. As a part of their compliance, CAAA and GOEA require management to amend the budget in cases where actual expenditures for a particular line item exceed their budgeted amount by more than 10%, unless unrestricted funds are available to *cover* the overrun.
- Budgeted expenditures cannot exceed budgeted revenues on an individual fund level, unless a large enough fund balance exists to absorb the budgeted operating deficit.
- The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some activities may not be budgeted, particularly if they are deemed to be immaterial by management.

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

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

SUPPLEMENTARY FINANCIAL INFORMATION FOR GOEA ANALYSIS

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

**The Tangipahoa Voluntary Council on Aging
Amite, Louisiana
For the year ended June 30, 2019**

	Title III E Fund	Totals
<u>REVENUES</u>		
Intergovernmental:		
Capital Area Agency on Aging (CAAA)	\$ 150	\$ 150
Total revenues	150	150
<u>EXPENDITURES</u>		
Health, Welfare, & Social Services:		
Current:		
Personnel	47	47
Fringe	8	8
Travel	0	0
Operating Services	2	2
Operating Supplies	1	1
Other Costs	2	2
Meals	0	0
Full Service Contracts	0	0
Capital Outlay	0	0
Total expenditures	60	60
Excess of revenues over (under) expenditures	90	90
<u>OTHER FINANCING SOURCES (USES)</u>		
Operating transfers in	0	0
Operating transfers out	(90)	(90)
Total other financing sources and uses	(90)	(90)
Net increase (decrease) in fund balances	0	0
<u>FUND BALANCE (DEFICIT)</u>		
Beginning of year	0	0
End of year	\$ 0	\$ 0

See auditor's report.

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

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

For the year ended June 30, 2019

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
<u>Capital Assets</u>				
Vehicles	\$ 181,750	\$ 0	\$ 0	\$ 181,750
Office furniture and equipment	11,416	0	0	11,416
Nutrition equipment	2,784	1,506	0	4,290
Leasehold improvements	<u>41,333</u>	<u>0</u>	<u>0</u>	<u>41,333</u>
 Total capital assets	 <u>\$ 237,283</u>	 <u>\$ 1,506</u>	 <u>\$ 0</u>	 <u>\$ 238,789</u>
 <u>Investment in Capital Assets</u>				
Property acquired with funds from -				
Local funds and donations	\$ 170,287	\$ 1,506	0	\$ 171,793
FTA	65,883	0	0	65,883
Title III B	590	0	0	590
Title III C-1	267	0	0	267
Title III C-2	134	0	0	134
Senior Center	<u>122</u>	<u>0</u>	<u>0</u>	<u>122</u>
 Total investment in capital assets	 <u>\$ 237,283</u>	 <u>\$ 1,506</u>	 <u>\$ 0</u>	 <u>\$ 238,789</u>

See auditor's report

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY LOUISIANA LAW

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

**The Tangipahoa Voluntary Council on Aging
Amite, Louisiana
For the year ended June 30, 2019**

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

Purpose	Amount
Salary	\$ 59,064.00
Benefits-insurance (health and life)	17,070.78
Benefits-retirement	-
Benefits-other - Fringe (LUTA, Worker's Comp, FICA)	5,646.75
Vehicle provided by government (enter amount reported on W-2)	754.46
Reimbursement of Expenses	1,539.35
Travel	
Registration fees	-
Conference travel	
Total	\$ 84,075.34

See auditor's report.

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Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tangipahoa Voluntary Council on Aging Inc., Amite, Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Tangipahoa Voluntary Council on Aging Inc.'s basic financial statements, and have issued our report thereon dated December 13, 2019.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

*James Lambert Riggs
& Associates*

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

December 13, 2019

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
The Tangipahoa Voluntary Council on Aging
Amite, Louisiana
For the Year Ended June 30, 2019

SUMMARY OF AUDITOR'S REPORTS

- A. Type of auditor's report issued on the financial statements: Unmodified
- B. Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*:
- Internal control over financial reporting:
- Material weaknesses identified? No
 - Significant deficiencies identified? None were reported
- Noncompliance material to the financial statements identified? No
- C. Federal Awards:
- Auditor's reports on compliance for each major federal award program and on internal control over federal awards are not applicable because federal award expenditures were less than \$750,000 and a single audit was not required this year.
- D. Was a management letter issued for this year's audit? No

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
The Tangipahoa Voluntary Council on Aging
Amite, Louisiana
For the year ended June 30, 2019

Financial Statement Findings

The auditor did not report any financial statement findings in his audit of the Council's FY 2018 financial statements last year. Therefore, management has nothing to report in this section.

Major Federal Award Program Findings and Questioned Costs

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

Management Letter

None was issued last year.

MANAGEMENT'S CORRECTIVE ACTION PLAN
The Tangipahoa Voluntary Council on Aging
Amite, Louisiana
For the year ended June 30, 2019

To the following oversight agencies for audit:

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

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

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

Audit period: For the year ended June 30, 2019.

The findings from the June 30, 2019 schedule of findings and questioned costs are discussed below.

FINANCIAL STATEMENT FINDINGS

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

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

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

STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT

FOR THE YEAR ENDED JUNE 30, 2019

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

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



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& ASSOCIATES, INC.
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Society of Louisiana CPAs

Independent Accountants' Report on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, which were agreed to by the Tangipahoa Voluntary Council on Aging, Inc., and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Tangipahoa Voluntary Council on Aging's management is responsible for those control and compliance areas identified in the SAUPs. The sufficiency of these procedures is solely the responsibility of the Tangipahoa Voluntary Council on Aging, Inc and the LLA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are detailed in Schedule "A"

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*, issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures or other matters that might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the results of that testing, and not to provide an opinion on control or compliance. This report is intended solely for the information and use of Tangipahoa Voluntary Council on Aging, Inc and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

James Lambert Riggs
& Associates

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

December 13, 2019

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - k) **Disaster Recovery / Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing / verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches / updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: The Council on Aging has limited written policies and procedures for disaster recovery / business continuity. These written policies and procedures need to be expanded and enhanced.

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

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

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

3. For each location selected under #2 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

Results: No exceptions were noted as a result of the procedure.

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

Results: No exceptions were noted as a result of the procedure.

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

Results: No exceptions were noted as a result of the procedure.

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

Results: No exceptions were noted as a result of the procedure.

4. For each location selected under #2 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

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

Results: No exceptions were noted as a result of the procedure.

b) Observe that the disbursement documentation included evidence (e.g., initial / date, electronic logging) of segregation of duties tested under #3, as applicable.

Results: No exceptions were noted as a result of the procedure.

December 17, 2019

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

Attn: Christie Barado

Dear Ms. Barado:

Thank you for your comments regarding the AUP Disaster Recovery Policy for the Tangipahoa Voluntary Council on Aging. I have attached a copy of the policy created and Board approved December 17, 2019. I will continue to improve the policy as needed.

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

Sincerely,



Debi Fleming
Executive Director



Disaster Recovery/Business Continuity

Policy Statement:

The Tangipahoa Voluntary Council on Aging has developed and created this document to detail the steps to be taken to recover from a catastrophic event. The policy includes regular reviews and updates of the plan at least annually and tests of the plan at least every two years. Agency Executive Director has authority to implement the plan when necessary. If the Executive Director is unable to enact the plan, the agency Succession Plan will be followed.

Note: If we cannot open Senior Centers or provide transportation, we cannot operate. In order to remain open, we need electricity, staff, food delivered from caterer, open roads for transportation service, gasoline and vehicles. Internet for completing reports, paying bills and payroll are also necessary. Without these critical assets, services cannot be provided. If services cannot be provided, funding cannot be received. Without funding, employees and bills cannot be paid.

Every effort will be made to prepare in advance for known potential disasters, i.e. lightning: shut down and unplug electronic equipment; flood: shut down systems and move equipment to locations above expected flood levels; etc.

Data and records to be backed-up and protected include client files, banking and financial information, policies, personnel files, and other documents important to the organization.

Data will be backed up either through the web, external hard drive or flash drives which will be stored in a fire-proof file cabinet in the Administrative Office with copies maintained off-site.

Executive Director will back up vital agency documents, contracts, personnel files, and other Word documents and files created and located in Administrative Office. Pictures are stored on a cloud account. Executive Director may also take the laptop computer used for such documents home or to another location for safety and continuity of work.

Finance Clerk will perform a weekly backup of financial information and documents in the Quickbooks program. TheFirst Bank, First Guaranty Bank, LAMP and other financial institutions guarantee backup of banking information.

Capital Area Agency on Aging, La. Dept. of Transportation, and Governor's Office of Elderly Affairs are responsible for back-up of client information which is reported to them for the purpose of reimbursement for services. Programs used by these funding sources are web based and stored in "the cloud".

Area Supervisors and Transportation Coordinator maintains client list of names, contact information and notes regarding reason for service on desktop or lap top computers at each Center and are responsible for security and backup.

All agency computers are password protected, shut down at the end of each day and will maintain and update the most effective anti-virus software possible. All software patches and

updates will be maintained as notice of availability is received based on the professional judgement of the systems and software vendors. Updates of Quickbooks is purchased when necessary with payroll tables purchased and updated each year.

Back up storage devices will be tested by each responsible employee and reported to Executive Director at least annually to ensure proper restore capabilities.

In the event of loss of electronic equipment, insurance claims will be made, and replacements purchased so that office procedures may resume as soon as possible.

Equipment and critical assets include, but are not limited to computers and internet service, telephones both land-line and mobile and adequate service, calculators, food service equipment such as steam tables and tables and chairs, and ability of caterer to deliver food to the Senior Centers, electricity and other utilities and operational vehicles. Current senior center locations will be utilized as office space depending on the location and severity of the disaster. The documented inventory list (backed up with other electronic files) will be used to replace furniture and equipment needed to return to daily operations.

The Board of Directors has appointed the Executive Director as Disaster Recovery Chief with authority to make purchases of items on the inventory list and direct all other staff in restoration activities. Upon approval of Executive Director, employees who perform clerical duties such as reports, etc., may work from their homes if they are unable to travel to offices and services are available to them.

Executive Director is responsible for discussions with media. All other employees, if asked, will state that the ED should be contacted for further information.

Management has identified and perceives the following incidents as the most serious vulnerabilities to the infrastructure:

- Fire
- Weather
- Workplace violence
- Office safety
- Emergency meals
- Records security
- Ransomware, Malware and computer viruses, etc.

Goals and Objectives the plan will meet:

- Short-term
 - Pre-Disaster:
 - Educate employees and clients about Plan and what to expect
 - Post-Disaster:
 - Retrieve Information as quickly as possible
 - Return day-to-day office management to level before the disaster

- Long-term
 - Protect Critical Information
 - Return focus of agency goals

- General Plan Goals
 - Identify Critical IT systems and Networks
 - Prioritize systems recovery
 - Delineate the steps needed to restart, reconfigure and recover files
- Objectives of the Plan
 - Reduce Overall Risk
 - Maintain (review annually)
 - Test Plan (at least every two years)
 - Alleviate Community and Participant Concerns of closure
 - Restore Day-to-Day Operations Quickly
 - Comply with Regulations (Health and Building Inspections, etc.)

Appendix:

- Bank Information
- Insurance Information
- Inventory List
- Board minutes authorizing Executive Director to take action
- Telephone Service provider information
- Internet provider information
- List of individuals who may have knowledge which is not written down and what information they may have.