

Financial Report

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

June 30, 2021

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June 30, 2021

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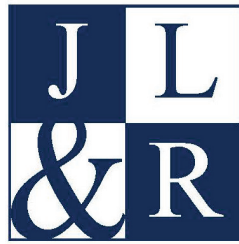
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Independent Auditor's Report

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, 2021, 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, 2021, 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 22 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

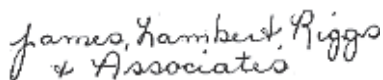
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tangipahoa Voluntary Council on Aging Inc.'s basic financial statements. The accompanying Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2021, 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 and Associates, Inc.
Hammond, Louisiana

December 29, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS
The Tangipahoa Voluntary Council on Aging
June 30, 2021

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, 2021. 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 an increase in overall net position of \$386,533 or about 167%.
- Net investment in capital assets decreased by \$5,544 or about 15%.
- Administrative expenses decreased this year by \$8,255 or about 2%.
- The unassigned fund balance for the Council's General Fund was \$548,418 at year-end, which is a \$398,047 increase from last year.
- Fund revenues increased by \$200,942 or about 18%.
- Fund expenditures decreased by \$31,186 about 2.9%.
- 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 most

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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 71 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 governmental funds. A reconciliation between the change in fund balances for the governmental

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

funds and the change in net position for the governmental activities is presented in Exhibit E. These two reconciliations will facilitate the comparison between governmental activities and funds.

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, CAAA, 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 and Title III C-2 Fund as *major* governmental funds. 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. In past years, management has elevated the Title III C-1 Fund to major fund status to be consistent with presentations of past years financial information. However, this year, there was no activity in the Title III C-1 Fund due to the virus pandemic. All *nonmajor* governmental funds are presented in one column on the fund financial statements, titled *Nonmajor Funds*. A combining Schedule of Revenues, Expenditures, and Changes in Fund Balance of the nonmajor governmental funds can be found on page 67.

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 30 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 63). 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 nonmajor governmental funds and a schedule containing details about capital assets and the changes in capital assets. This information will be used by GOEA to verify the accuracy of information submitted to them during the year and to help monitor certain compliance requirements set forth in the grants that it has with the Council. (See pages 67 and 68)

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 allow the public to see what the Council's top employee 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>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Current and Other Assets:				
Current Assets	\$ 600,260	\$ 362,028	\$ 238,232	65.80%
Other Assets	16,065	16,822	(757)	-4.50%
Capital Assets, net of depreciation	<u>30,377</u>	<u>35,921</u>	<u>(5,544)</u>	-15.43%
Total Assets	<u>646,702</u>	<u>414,771</u>	<u>231,931</u>	55.92%
Current Liabilities	<u>28,248</u>	<u>182,850</u>	<u>(154,602)</u>	-84.55%
Total Liabilities	<u>28,248</u>	<u>182,850</u>	<u>(154,602)</u>	-84.55%
Net Position:				
Net Investment in Capital Assets	30,377	35,921	(5,544)	-15.43%
Restricted	13,384	15,153	(1,769)	-11.67%
Unrestricted	<u>574,693</u>	<u>180,847</u>	<u>393,846</u>	217.78%
Total Net Position	<u>\$ 618,454</u>	<u>\$ 231,921</u>	<u>\$ 386,533</u>	166.67%

As noted earlier, net position may serve over time as a useful indicator of the Council's financial condition. About 93% of the Council's net position is unrestricted at the end of 2021, whereas it was 78% at the end of 2020. The unrestricted net position also increased by \$393,846 this year. This indicates the Council's financial position has improved significantly since last year. 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 did not change very much this year and represents about 2.2% of the Council's total net position as of the end of this year compared to 6.5% in 2020. Restricted net position indicates those assets, usually cash, that are only available for use by management for a specific purpose and cannot be used for general operations.

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 policy helps assure that management will stay within its financial means so that future revenues will be

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

spent for client services instead of debt service. Net investment in capital assets represents about 4.9% of total net position at the end of 2021 compared to 15.5% at the end of 2020. This year's decrease of \$5,544 in capital assets indicates that depreciation of the Council's capital assets was more than capital asset acquisitions this year.

The table presented below illustrates a condensed presentation of the revenues and expenses that caused the increase in net position for FY 2021 and FY 2020, respectively.

	2021	% of Total	2020	% of Total	Increase (Decrease)
Revenues					
Program Revenues:					
Charges for Services	\$ 4,040	0.28%	\$ 13,486	1.21%	\$ (9,446)
Operating Grants & Contributions	816,330	56.30%	659,844	59.31%	156,486
Capital Grants & Contributions	0	0.00%	0	0.00%	0
General Revenues:					
Unrestricted Grants & Contributions	488,016	33.66%	430,281	38.68%	57,735
PPP Loan Forgiveness	130,798	9.02%	0	0.00%	130,798
Gain on Sale of Vehicles	5,500	0.38%	0	0.00%	5,500
Miscellaneous Income	5,198	0.36%	8,625	0.78%	(3,427)
Interest Income	123	0.01%	304	0.03%	(181)
Total Revenues	1,450,005	100.00%	1,112,540	100.00%	337,465
Direct Program Expenses for the Health, Welfare and Social Services Function:					
Supportive Services:					
Transportation for the Elderly	284,267	26.73%	387,367	35.02%	(103,100)
Other Supportive Services	42,085	3.96%	62,035	5.61%	(19,950)
Nutrition Services:					
Congregate Meals	0	0.00%	43,242	3.91%	(43,242)
Home-delivered Meals	345,283	32.47%	145,311	13.14%	199,972
Transportation for the Non-elderly	11,978	1.13%	72,299	6.54%	(60,321)
Other Social Service Programs and Activities	4,788	0.45%	14,160	1.28%	(9,372)
Interest Expense	1,677	0.16%	0	0.00%	1,677
Direct Administrative Expenses	373,394	35.11%	381,649	34.51%	(8,255)
Total Expenses	1,063,472	100.00%	1,106,063	100.00%	(42,591)
Increase (Decrease) in Net Position	386,533		6,477		380,056
Net Position, Beginning of the Year	231,921		225,444		6,477
Net Position, End of the Year	\$ 618,454		\$ 231,921		\$ 386,533

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

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 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.

On April 21, 2020 the Council obtained a PPP Loan (\$129,121) to help pay for payroll and retain its employees. From that date and into this fiscal year, the Council used the full amount of the loan to pay qualified payroll expenses. Once the funds were fully consumed, the Council applied for loan forgiveness, which was approved in this fiscal year. As a result, the full amount of the loan, along with accrued interest of \$1,677, have been presented as a single line item of \$130,798 in the revenue section of the table on the previous page.

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. What's interesting is the changes that have occurred in the various services this year as compared to last year as a result of the virus pandemic. For example, the large increase in home-delivered meals is directly related to the virus. Those people who used to come to the congregate meal sites to receive a meal were unable to do so because the meal sites were closed. Instead, the Council's operations were changed to provide meals to those people at home until the meal sites could be reopened. Another area that was adversely impacted was the transportation services. Both the elderly and nonelderly transportation services have had significant decreases in expenses, which indicates the cut back in those services due to the virus.

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, and nutrition services, particularly home-delivered meals. 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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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*. This year nonelderly transportation program had an unusually large *profit* of \$47,397. The reason for this result is because the money (\$53,076) given to the Council by the cities of Hammond and Ponchatoula did not have to be used to pay for costs of providing bus services in those cities. Due to the virus pandemic, the usual bus services were not provided this year, therefore, expenses were not incurred. The unused money will be consumed in the future when the bus services resume.

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 revenues. This year total administration expenses were \$373,394 or about 26% of total revenues whereas last year total administration expenses were \$381,649 or about 34% of total revenues. Administration expenses include indirect-type costs, which are costs not specifically identified with a particular program but those that benefit all programs. Management would like to point out that administrative expenses are higher than expected and desired because the effects of the virus pandemic caused management to change how it had to operate. For example, some employees who were usually providing direct services had to be relegated to doing administrative work in order to keep them employed. Accordingly, their time had to be coded to the administrative function and not directly to a specific program service.

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 \$562,537, which is an increase of \$394,513 when compared to last year. Because

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

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 \$548,418 and is available for spending at management's discretion. The remainder of the General Fund balance consists of \$13,384 of restricted resources and \$735 of nonspendable resources.

Revenues

The combined fund revenues increased by \$202,942 this year, as shown in the table below.

	% of 2021		% of 2020		Increase/(Decrease)	
	2021	Total	2020	Total	Amount	Percent
Intergovernmental	\$ 1,165,776	88.74%	\$ 979,707	88.04%	\$ 186,069	18.99%
Public Support	138,551	10.55%	109,907	9.88%	28,644	26.06%
Program Service Fees	4,040	0.31%	13,486	1.21%	(9,446)	-70.04%
Interest Income	123	0.01%	304	0.03%	(181)	-59.54%
Miscellaneous	5,217	0.40%	9,361	0.84%	(4,144)	-44.27%
Total Revenues	\$ 1,313,707	100%	\$ 1,112,765	100%	\$ 200,942	18.06%

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. The main reason for the \$186,069 increase in intergovernmental revenues this year is because the Council received \$174,411 in CARES Act funds and a \$12,683 increase in funds from the United way of America for the Emergency Food and Shelter Program (ESFP). These extra funds were a direct result of the federal government's effort to maintain stability, during the pandemic, in the programs traditionally sponsored by the Council.

The Council also received donations from its clients and the general public. This **public support** revenue helps to lessen the financial burden on the Council and allow it to maintain its usual services. The overall public support increased by \$28,644 during FY 2021. This increase can be explained by two large donations (one for \$20,000 and another one for \$10,000) the Council received during the year. 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 decreased by \$9,446 in FY 2021. This decrease is directly related to a decrease in revenues from

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

contracted transportation services, which was caused primarily by the shutdowns associated with the virus pandemic.

The other sources of revenue are minor; therefore, they will not be discussed.

Expenditures

Total expenditures decreased by \$31,186 this year, as shown in the table below.

	% of 2021		% of 2020		Increase/(Decrease)	
	2021	Total	2020	Total	Amount	Percent
Personnel	\$ 560,671	53.12%	\$ 628,664	57.85%	\$ (67,993)	-10.82%
Fringe	89,315	8.46%	99,772	9.18%	(10,457)	-10.48%
Travel	7,267	0.69%	10,138	0.93%	(2,871)	-28.32%
Operating Services	110,041	10.43%	104,447	9.61%	5,594	5.36%
Operating Supplies	47,620	4.51%	72,825	6.70%	(25,205)	-34.61%
Other Costs	24,544	2.33%	57,090	5.25%	(32,546)	-57.01%
Meals	192,098	18.20%	99,057	9.12%	93,041	93.93%
Full Service Contracts	364	0.03%	4,161	0.38%	(3,797)	-91.25%
Utility Assistance	523	0.05%	263	0.02%	260	98.86%
Capital Outlay	12,353	1.17%	2,400	0.22%	9,953	414.71%
Intergovernmental	9,019	0.85%	7,861	0.72%	1,158	14.73%
Interest	1,677	0.16%	0	0.00%	1,677	100.00%
Total	\$ 1,055,492	100%	\$ 1,086,678	100%	\$ (31,186)	-2.87%

Personnel expenditures decreased by \$67,993 (about 11%) from last year. Each year changes in personnel costs will occur primarily because there are fluctuations in hours worked to meet the demand for services. This year the demand was lower versus last year for all services (due to the virus pandemic) except for home-delivered meals. The overall lower demand for services caused some employees not to have as many available work hours as last year. Despite its efforts to maintain a workforce similar in size to past years, the Council lost several employees this year. The Council typically employs about 35 people at any given time throughout the year. Last year's workforce was 36 whereas this year's workforce declined to 29.

Fringe expenditures decreased by \$10,457 this year primarily because the cost of payroll related fringe costs declined in each fringe category (FICA, LUTA, health insurance and workman's compensation). Fringe expenses are directly tied to increases and decreases in personnel costs. Because personnel costs decreased 10.82%, management expected fringe costs to also decrease, which they did (10.48%).

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Travel expenditures decreased by \$2,871 compared to last year primarily due to a decrease in mileage reimbursements relating to employees having to use their personal vehicles for Council business. This is an expenditure category linked to client services and the overall demand for services necessitating travel was much less this year than last.

Operating services expenditures increased this year by \$5,594 mainly because of an increase in professional service fees (\$29,166), which was offset by decreases in vehicle insurance premiums (\$9,164), vehicle maintenance costs (\$10,837), and advertising costs (\$4,769). The increase in professional service fees was not for the full \$29,166 this year. Last year this expenditure category was included as a component of Other Costs but was changed this year to be a component of Operating Services. Last year's professional service fees were \$18,760, so the true increase this year was \$10,406. The reason for the increase was because the Council's internal bookkeeper retired, and management decided to subcontract some of the accounting services rather than hire and train a new employee.

Operating supplies expenditures decreased this year by \$25,205 mainly because of a decrease in vehicle fuel and supplies (\$29,871). Transportation services were curtailed significantly due to the virus pandemic, so this large decrease was expected. The large decrease in vehicle fuel was offset in part by an increase in program supplies (\$2,766) and an increase in small equipment purchases (\$1,352).

Other costs decreased this year by a total of \$32,546 due to multiple reasons. A major part of the reason stems from the reclassification of professional service fees (\$18,760) to the Operating Services category this year. The remainder of the decrease relates to a variety of expenditures being less this year: audit fees (\$3,000); birthday party costs (\$2,422); conferences (\$2,400); penalties (\$1,159); special events (\$1,036), and senior activities (\$2,219).

Meal expenditures increased by \$93,041 this year. The Council served 113,475 home-delivered meals this year whereas, last year it served 73,083 meals, which is an increase of 40,392. Last year congregate meals were discontinued in mid-March of 2020 and no congregate meals were served this year. So, the nutrition emphasis shifted to feeding people at home to protect them from the virus. Accordingly, those people who normally came to the meal sites to receive a meal were now able to have their meal delivered to their house or come pick it up and take it home. Two years ago, before the pandemic arose, the Council served 36,691 congregate meals, which is close to this year's increase in home-delivered meals.

Full service contract expenditures represent the services provided by an art instructor for the seniors and varies from year-to-year based on her level of service. This year she spent less time working with the senior citizens, which accounts for the \$3,797 decrease in full-service type expenditures.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Utility assistance expenditures increased by \$260 this year. The Council does not participate in utility assistance like it did several years ago and has very little money on hand to provide very much support in this service area.

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 increased \$9,953 this year as a result of the Council buying two copy machines and a sanitizing machine for the vans.

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 paid for one *match* (\$9,019), whereas last year it also had one *match*, but the cost of that match was only \$7,861.

Interest expenditures represent the interest that accrued on the PPP loan from its inception until it was forgiven. The interest was forgiven along with the loan proceeds during this year.

AN ANALYSIS OF THE GENERAL FUND BUDGET

When preparing its initial budget for this year, management forecasted that its revenues would equal expenditures. No operating expenditures were budgeted in the general fund because management was unsure how the virus would impact the Council's operations. So, only capital outlay and transfers out type expenditures were budgeted. Management recognized that an amendment would be required and spent more time and effort in developing an amended budget. As a result, the various expenditure categories contained amounts in the amended budget in contrast to the initial budget.

There was only one budget amendment for this year. The main reason for amending the original General Fund budget was to account for any significant changes in revenues, expenditures and transfer accounts. A schedule of the original budget and amended budgets with 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 final amended budget was prepared, the Council forecasted that its General Fund revenues and other financing sources would exceed its expenditures plus transfers out to the special revenue funds by \$39,301. However, this year's operations resulted in a net increase in fund balance of \$394,513. As a result, the overall budget versus actual variance for the year was a favorable \$355,212.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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

- Intergovernmental revenue includes an Application Assistance grant of \$15,315 that the Council did not expect to receive from CAAA.
- Public support revenues included \$30,000 of unrestricted donations from two donors that were not anticipated. The Council has no control over how and when this type of revenue is generated.
- There were favorable variances in the personnel, fringe, and operating service categories that add up to a combined favorable variance of \$58,994. The main reason behind this favorable variance is that local transportation expenditures did not occur as management expected. The pandemic shutdown lasted longer than anticipated, therefore, the costs were not incurred.
- Capital outlay expenditures were \$12,353 more than budgeted because the Council did not properly identify certain expenditures as capital outlay types when they were incurred. So, when the budget amendment was prepared, they were overlooked.
- The Council did not budget for the sale of vehicles so the \$5,500 of gross proceeds produced a favorable variance.
- The Council did not budget for the forgiveness of the PPP loan (\$130,798) because it did not know when the final approval would be forthcoming. The approval of the forgiveness came through in early May, but the amended budget had already been prepared and approved in late April.
- Finally, the Council budgeted \$380,922 for operating transfers out to the programs of the special revenue funds, whereas the actual amount of transfers needed to pay for the expenditures of those funds was only \$261,606. This occurred because CAAA sent the Council additional CARES Act funds late in the year to reimburse the Council for having used its General Fund (local) money throughout the year to pay for the expenditures of the Title III programs.

The remaining favorable and unfavorable variances within the General Fund were spread across several categories and were within the expectations of management or are considered not material to this discussion; accordingly, they require no further explanation.

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

ANALYSIS OF CAPITAL ASSETS AND DEBT ADMINISTRATION

Net capital assets decreased by \$5,544 as shown below.

Capital Assets, Net of Depreciation

	2021	2020	Increase/ (Decrease)
Vehicles	\$ -	\$ 12,415	\$ (12,415)
Office furniture and equipment	14,461	5,850	8,611
Nutrition equipment	1,681	2,396	(715)
Leasehold improvements	14,235	15,260	(1,025)
	\$ 30,377	\$ 35,921	\$ (5,544)

During the year, the Council disposed of three vans and one copy machine that were owned by the Council. The Council bought two new copiers for \$7,240 and a sanitizing machine to use on its vans for \$5,113. Depreciation expense for the year on capital assets was \$17,897.

At year-end, the Council's transportation fleet consisted of eighteen vehicles, four of which are owned by the Council and fourteen 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 two Council-owned vehicles are used solely for public transportation. All fourteen of the vehicles owned by the TPG are used for public transportation. Six of the fourteen TPG vehicles were acquired this year and are brand new.

The Council does not like to incur any as a matter of financial stewardship. However, due to the COVID-19 pandemic, the Council applied for and received Paycheck Protection Program loan of \$129,121 last year. The Council took this action because, at the time, there was much uncertainty about how the virus would affect the Council's ability to serve the elderly and operate. However, the Council used the loan proceeds for qualified expenditures and the loan was forgiven in full this year. Accordingly, the Council did not have any long-term debt as of year-end.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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 2022 and management is unaware of any significant adverse changes to the funding levels or terms of these grants and contracts.

COVID-19 (Coronavirus) has affected the Council most notably in the congregate service and transportation areas. Due to the virus pandemic, the Council has not been able to have any of its normal congregate services (i.e., C1 meals and other activities held at the senior centers), which resulted in a large shift of expenses from the C1 meals program to the C2 meals program. This is expected to continue into FY2022 and will have a significant impact on the number of units served in comparison to past years. In addition, the Council has not been able to operate its normal bus services in Hammond and Ponchatoula. Management is unable to assess the quantitative and qualitative impacts that the virus will have on the Council's future operations. However, the Council's management has adapted daily operations to meet the needs of the Parish's elderly population within the current governmental guidelines.

For next year, management has initially budgeted \$1,234,898 in revenues and \$1,153,861 in expenditures, which produces an excess of revenues over expenditures of \$81,037 for the Council's programs. 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, 2021

	Governmental Activities
ASSETS	
Current Assets:	
Cash and Investments	\$ 440,469
Receivables:	
Tangipahoa Parish Government	61,213
Capital Area Agency on Aging (CAAA)	76,483
City of Amite	5,330
LA Workforce Commission	245
LWCC	6,310
Prepaid Expenses	10,210
Total current assets	600,260
Other Asset - prepaid expense for long-term vehicle use	16,065
Capital Assets, net of accumulated depreciation	30,377
Total Assets	646,702
LIABILITIES	
Current Liabilities:	
Accounts payable	27,859
Accrued expenses	389
Total current liabilities	28,248
NET POSITION	
Net investment in capital assets	30,377
Restricted for:	
Senior Citizen Activities	8,199
Arts Council	2,847
Birthday Parties	2,337
Utility Assistance	1
Unrestricted	574,693
Total Net Position	\$ 618,454

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, 2021

Functions/Programs	Program Revenues					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	\$ 284,267	\$ 214,349	\$ 0	\$ 356,651	\$ 0	\$ (141,965)
Information and Assistance	6,323	5,117	0	18,029	0	6,589
Outreach	36	29	0	1,385	0	1,320
Telephoning	31,359	25,376	0	37,959	0	(18,776)
Utility Assistance	523	0	0	190	0	(333)
Medic Alert Devices	3,844	480	0	3,609	0	(715)
Nutrition Services:						
Home Delivered Meals	345,283	122,240	0	334,982	0	(132,541)
Transportation Services - non elderly	11,978	5,790	4,040	61,125	0	47,397
Family Caregiver Support	17	13	0	130	0	100
Other Senior Citizen Activities	4,771	0	0	2,270	0	(2,501)
Interest Expense	1,677	0	0	0	0	(1,677)
Administration	373,394	(373,394)	0	0	0	0
Total governmental activities	\$ 1,063,472	\$ 0	\$ 4,040	\$ 816,330	\$ 0	\$ (243,102)
General Revenues:						
Grants and contributions not restricted to specific programs					488,016	
PPP Loan Forgiveness					130,798	
Gain on sale of vehicles					5,500	
Miscellaneous income					5,198	
Interest income					123	
Total general revenues						629,635
Increase (Decrease) in net position						386,533
Net position - beginning of the year						231,921
Net position - end of the year						\$ 618,454

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, 2021

		Title III B	Title III C-2	Nonmajor	Total
	General Fund	Fund	Fund	Funds	Governmental Funds
ASSETS					
Cash and Investments	\$ 440,469	\$ 0	\$ 0	\$ 0	\$ 440,469
Receivables:					
Tangipahoa Parish Government	1,610	59,603	0	0	61,213
Capital Area Agency on Aging	765	20,514	55,204	0	76,483
City of Amite	0	0	5,330	0	5,330
LA Workforce Commission	245	0	0	0	245
LWCC	6,310	0	0	0	6,310
Prepaid expenditures	735	0	0	0	735
Due from other governmental funds	117,442	0	0	0	117,442
	<u>117,442</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>117,442</u>
 Total Assets	 <u>\$ 567,576</u>	 <u>\$ 80,117</u>	 <u>\$ 60,534</u>	 <u>\$ 0</u>	 <u>\$ 708,227</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 5,033	\$ 1,848	\$ 20,978	\$ 0	\$ 27,859
Accrued expenses	6	256	127	0	389
Due to other governmental funds	0	78,013	39,429	0	117,442
	<u>0</u>	<u>78,013</u>	<u>39,429</u>	<u>0</u>	<u>117,442</u>
 Total Liabilities	 <u>5,039</u>	 <u>80,117</u>	 <u>60,534</u>	 <u>0</u>	 <u>145,690</u>
Fund Balances					
Nonspendable - prepaid expenditures	735	0	0	0	735
Restricted for:					
Senior Citizen Activities	8,199	0	0	0	8,199
Arts Council	2,847	0	0	0	2,847
Birthday Parties	2,337	0	0	0	2,337
Utility Assistance	1	0	0	0	1
Unassigned	548,418	0	0	0	548,418
Total Fund Balances	<u>562,537</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>562,537</u>
 Total Liabilities and Fund Balances	 <u>\$ 567,576</u>	 <u>\$ 80,117</u>	 <u>\$ 60,534</u>	 <u>\$ 0</u>	
Amounts reported for governmental activities in the statement of net position are different because:					
- Prepaid expenses relating to vehicle usage are not financial resources and therefore are not reported as assets in the governmental funds					25,540
- Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds as assets in the governmental funds					30,377
					<u>30,377</u>
Net Position of Governmental Activities					<u>\$ 618,454</u>

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, 2021

	<u>General Fund</u>	<u>Title III B Fund</u>	<u>Title III C-2 Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>					
Intergovernmental:					
Capital Area Agency on Aging (CAAA)	\$ 15,315	\$ 116,099	\$ 284,099	\$ 130	\$ 415,643
City of Amite	0	0	11,435	0	11,435
City of Hammond	50,000	0	0	0	50,000
City of Ponchatoula	29,076	0	0	0	29,076
Governor's Office of Elderly Affairs (GOEA)	225,479	0	0	0	225,479
Tangipahoa Parish Government (TPG)	105,585	298,017	0	0	403,602
Town of Kentwood	0	2,400	0	0	2,400
United Way	0	0	28,141	0	28,141
Public Support (Restricted):					
Client contributions	0	1,117	11,288	0	12,405
Other donors	2,460	0	0	0	2,460
Public Support (Unrestricted):					
United Way	28,341	0	0	0	28,341
Ray Smith Memorial Fund	35,000	0	0	0	35,000
Fundraisers	19,819	0	0	0	19,819
Other donors	40,526	0	0	0	40,526
Program Service Fees- transportation services	4,040	0	0	0	4,040
Interest income	123	0	0	0	123
Miscellaneous	5,198	0	19	0	5,217
Total revenues	<u>560,962</u>	<u>417,633</u>	<u>334,982</u>	<u>130</u>	<u>1,313,707</u>
<u>EXPENDITURES</u>					
Health, Welfare, & Social Services:					
Current:					
Personnel	7,999	349,564	203,085	23	560,671
Fringe	1,305	56,390	31,617	3	89,315
Travel	68	2,866	4,333	0	7,267
Operating Services	2,884	86,727	20,428	2	110,041
Operating Supplies	4,042	35,780	7,797	1	47,620
Other Costs	1,007	18,487	5,049	1	24,544
Meals	0	0	192,098	0	192,098
Full Service Contracts	364	0	0	0	364
Utility Assistance	523	0	0	0	523
Capital Outlay	12,353	0	0	0	12,353
Intergovernmental	9,019	0	0	0	9,019
Debt Service - Interest	1,677	0	0	0	1,677
Total expenditures	<u>41,241</u>	<u>549,814</u>	<u>464,407</u>	<u>30</u>	<u>1,055,492</u>
Excess of revenues over (under) expenditures	<u>519,721</u>	<u>(132,181)</u>	<u>(129,425)</u>	<u>100</u>	<u>258,215</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Proceeds from sale of vehicles	5,500	0	0	0	5,500
PPP Loan Forgiveness	130,798	0	0	0	130,798
Operating transfers in	100	132,181	129,425	0	261,706
Operating transfers out	<u>(261,606)</u>	<u>0</u>	<u>0</u>	<u>(100)</u>	<u>(261,706)</u>
Total other financing sources and uses	<u>(125,208)</u>	<u>132,181</u>	<u>129,425</u>	<u>(100)</u>	<u>136,298</u>
Net increase (decrease) in fund balances	394,513	0	0	0	394,513
<u>FUND BALANCE (DEFICIT)</u>					
Beginning of year	<u>168,024</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>168,024</u>
End of year	<u>\$ 562,537</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 562,537</u>

The accompanying notes are an integral part of this statement.

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

**The Tangipahoa Voluntary Council on Aging
Amite, Louisiana
For the year ended June 30, 2021**

Net Increase (Decrease) in Fund Balances - Total Governmental Funds	\$	394,513
<p>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 (\$17,897) exceeded capital outlays (\$12,353) this year.</p>		
		(5,544)
<p>Governmental funds report the amounts the Council expends as local <i>matching</i> 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 amortization expense (\$11,455) exceeded intergovernmental expenditures (\$9,019) this year.</p>		
		(2,436)
Increase (Decrease) of Net Position of Governmental Activities	<u>\$</u>	<u>386,533</u>

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, 2021****Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies**

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

a. Purpose of the Council on Aging

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

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

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

b. Reporting Entity

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

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

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

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

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

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

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 with *Title 2 U.S. Code of Federal Regulations Part 200, - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The Statement of Activities shows this allocation in a separate column labeled *indirect expenses*.

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. General revenues are reported separately from program related revenues because they are unrestricted as to their use or purpose. 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 statement users. Usually, management has included the Title III C-1 Fund as a major fund despite it not having met the quantitative criteria to be a major fund. However, this year the Title III C-1 Fund activities were not held due to the virus pandemic. As a result, nothing is presented in these financial statements about this fund this year. 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.

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 2021, the Council received \$100,000 of PCOA funds, which were initially recorded as revenues of the General Fund. Subsequently, management transferred all \$100,000 of the PCOA funds to the Title III C-2 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 persons who are at least 60 years old. 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. Initially these funds are received by the Council's General Fund. However, to make the best use of them, management transfers them to other funds to meet the demand for services. This year, management transferred all of its primary senior center grant funds to the Title III B Fund (\$114,567). The supplemental senior center funds were allocated between the Title III B Fund (\$7,252) and the Title III C-2 Fund (\$3,660).

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 grant the Council had to provide units of service which consists of hosting outreach, enrollment, and education events in accordance with the specifications, procedures, and requirements outlined in the MIPPA Grant Taxonomy. However, due to the virus pandemic, the Council was unable to provide any MIPPA units this year.

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 2021 this transportation service generated \$540 of program service fees.
- The Council has agreements with various entities in Tangipahoa Parish to transport people for a negotiated fee per trip. This year the Council provided transportation services to the Tangipahoa Parish Tourist Commission and earned \$3,500.
- The Council usually provides city bus type services to the general public in

Hammond and Ponchatoula. However, the Council did not provide these services this year due to the virus pandemic.

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 is usually held in conjunction with the Council's annual picnic in May of each year, however, due to COVID-19 the fundraiser had to be cancelled. In a normal year, program participants and Council employees generally volunteer their time to solicit pledges from businesses and individuals of Tangipahoa Parish. To *earn* the pledge, the participants walk distances within a designated area at the picnic. However, this year, those that donated did so even though the event was not able to be held. The gross revenue from this fundraiser was \$16,219. No direct costs were incurred to generate this revenue.

The Council also has another fundraiser called *Vehicle Sponsorships*. Local businesses donate money to sponsor an informational message on the Council's vehicles. The *sponsors* do not receive anything in return for their donation in order to prevent the sponsorship from being advertising. The gross revenue from this fundraiser was \$3,600. There were no direct costs associated with producing this revenue.

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 \$640 this year.

The Council has an art class for its seniors and this class was funded by a grant (\$1,630) from the Arts Council of Greater Baton Rouge.

Utility Assistance

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

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

During the year, the Council helped three people with utility assistance. The maximum amount of utility assistance a person can receive in one year is usually limited to \$300.

Application Assistance

The Application Assistance program is new this fiscal year. Its purpose is to assist the elderly with many different types of applications including, but not limited to, food stamps and Medicare. CAAA paid the Council \$15 for each unit of assistance and \$10 for each follow up to verify if the person they helped actually received the assistance. The funds were provided through the CARES Act.

Special Revenue Funds

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

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

Major Governmental Funds:

Title III B Fund

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

<u>Type of Service Provided</u>	<u>Units</u>
Information and Assistance	1,402
Outreach	57
Telephoning	19,139
Transportation for people age 60 or older	2,965
Medic Alert Units	120

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

- A grant from GOEA which it passed through CAAA to the Council for *Special Programs for the Aging _ Title III, Part B_ Grants for Supportive Services and Senior Centers* (\$90,334). The Council was also given \$25,765 of CARES Act grant funds this year from GOEA via CAAA to supplement the primary Title III-B grant.
- 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 a portion of the cost of providing public transportation services. The portion (\$298,017) 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 (\$1,117) 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 did not provide congregate meals at any of its meal sites because of the virus pandemic. Instead, those people that

Exhibit F - Continued

normally visited the meal sites to eat had the option to receive a home-delivered meal until services at the meal sites could be restored.

The usual sources of revenues received that form the basis of this fund are (1) *Special Programs for the Aging – Title III, Part C-1 – Nutrition Services* grant funds from GOEA which it passes through CAAA to the Council and (2) restricted, voluntary public support from those persons who received congregate meals. The Council did not receive any of these funds this year because the traditional C-1 program was temporarily discontinued.

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 113,475 home-delivered meals to eligible participants. The Council also reported 1,056 units of nutrition education.

The main sources of revenues received this year that form the basis of this fund are (1) *Special Programs for the Aging – Title III, Part C-2 – Nutrition Services* grant funds (\$284,099) from GOEA which it passed through CAAA; (2) intergovernmental funds from the City of Amite (\$11,435); (3) United Way Funds (\$28,141); and (4) restricted, voluntary public support (\$11,288) from the general public, including those persons actually receiving home-delivered meal services. This year the Council received \$133,331 CARES Act grant funds to supplement its primary grant from GOEA via CAAA.

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 4 units of information and assistance to eligible participants. The source of the revenue forming the basis for this fund is a \$130 grant the Council received from GOEA which it passed through CAAA for the *Title III, Part E – National Family Caregivers Support Program*.

d. Measurement Focus and Basis of Accounting

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

Government-Wide Financial Statements – Accrual Basis

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

Fund Financial Statements – Modified Accrual Basis

Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. A current financial resources measurement focus means that only current assets and current liabilities are generally included on the fund balance sheet. The operating statements of the funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be available if they are collected within sixty days of the current fiscal year end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred, if measurable, except for the following: (1) unmatured principal and interest on long-term debt, if any, are recorded when due, and (2) claims, judgments, and compensated absences are recorded as expenditures when paid with expendable available financial resources. Depreciation and amortization are costs that are not recognized in the governmental funds.

e. Interfund Activity

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

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

f. Cash

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

For the purposes of the Statement of Net Position, restricted cash are amounts received or earned by the Council with an explicit understanding between the Council and the resource provider that the resource would be used for a specific purpose. At year end, the line item *Cash and Investments* on the Statement of Net Position includes \$13,384 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.

The Council also invests 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. LAMP, Inc. is subject to regulatory oversight by the state treasurer and its board of directors. For financial statement purposes, LAMP investments are valued and reported at fair value based on quoted market rates. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares sold and redeemed, investments are valued at amortized cost. LAMP seeks to maintain a stable net asset value of \$1.00 per unit, but there are no assurances that LAMP will be able to always achieve this objective. Because of its liquidity, the balance in the LAMP account is classified as a current asset on the Statement of Net Position.

i. Prepaid Expenses/Expenditures

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

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

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

matching payments are reported in the fund financial statements as intergovernmental expenditures when the vehicles are received.

j. Capital Assets

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

In the fund financial statements, capital assets used in the Council's operations are

accounted for as capital outlay expenditures of the governmental fund that provided the resources to acquire the assets. Depreciation is not computed or recorded on capital assets for purposes of the fund financial statements.

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.

1. 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 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 a funding agency 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 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 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.

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. However, at year-end, the amount on deposit at The First Bank was \$272,203, which means that the \$22,203 of bank deposits not covered by FDIC insurance are considered uninsured and uncollateralized, which exposes the money to higher credit risks.

The Council also has a second operating account at First Guaranty Bank and the deposits at year-end in this account were less than \$250,000. Therefore, they were fully insured by the FDIC and considered a category 1 type credit risk.

The Council maintains a petty cash fund (approximately \$50) 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

Exhibit F - Continued

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 \$110,934 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

Exhibit F - Continued

securities with a maturity in excess of 397 days. The WAM (to reset) for LAMP's total investments is 53 days and the WAM (to final) is 82 days as of June 30, 2021.

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

At June 30, 2021, 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	\$ 259,879	\$ 259,879	0.02%	Demand	Category 3
First Guaranty Bank	69,606	69,606	None	Demand	Category 1
Petty Cash	50	50	None	N/A	None
Total Cash	<u>329,535</u>	<u>329,535</u>			
Investments:					
LAMP	110,934	110,934	0.40%	Demand	Not Required
Total Investments	<u>110,934</u>	<u>110,934</u>			
Total Cash & Investments	<u>\$ 440,469</u>	<u>\$ 440,469</u>			
Unrestricted Purpose	\$ 427,085				
Restricted Purpose:					
Senior Citizen Activities	8,199				
Arts Council	2,847				
Birthday Parties	2,337				
Utility Assistance	1				
Total Cash & Investments	<u>\$ 440,469</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 \$735 of prepaid expenditures in the Fund Balance Sheet related to prepaid training classes that the Council expects to consume during the next fiscal year.

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

	Current Portion	Noncurrent Portion
Prepaid Training Classes	\$ 735	\$ 0
Unamortized vehicle usage	9,475	16,065
Total prepaid expenses	<u>\$ 10,210</u>	<u>\$ 16,065</u>

The current portion of the unamortized vehicle usage represents the 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. Although the vehicles are titled in the name of the TPG, the Council and the TPG have a written agreement whereby the Council will, as a subrecipient, be a direct transportation operator for Tangipahoa Parish. Accordingly, the Council must abide by all the terms of the primary grant between the TPG and DOTD. 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.

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, 2020	Additions	Decreases	Balance June 30, 2021
Vehicles	\$ 181,750	\$ 0	\$ (82,463)	\$ 99,287
Office furniture and equipment	13,816	12,353	(1,300)	24,869
Nutrition equipment	4,290	0	0	4,290
Leasehold improvements	41,332	0	0	41,332
Total Capital Assets	241,188	12,353	(83,763)	169,778
Less Accumulated Depreciation:				
Vehicles	169,335	12,416	(82,463)	99,288
Office furniture and equipment	7,966	3,778	(1,300)	10,444
Nutrition equipment	1,894	679	0	2,573
Leasehold improvements	26,072	1,024	0	27,096
Total Accumulated Depreciation	205,267	17,897	(83,763)	139,401
Capital Assets Net of Depreciation	\$ 35,921	\$ (5,544)	\$ 0	\$ 30,377

Capital assets do not include any donated capital assets at year-end.

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	\$ 3,008
Supportive Services:	
Transportation of the elderly	12,507
Nutrition Services:	
Home-delivered meals	2,131
Transportation - non elderly	251
Total depreciation expense	\$ 17,897

The depreciation expense associated with the administration function (\$3,008) 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 (\$14,889) are charged as direct expenses to their related functions on the Statement of Activities.

Note 6 - Paycheck Protection Program (PPP) Loan

On April 21, 2020, the Tangipahoa Voluntary Council on Aging received loan proceeds of \$129,121 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, employee benefits, rent and utilities. Any unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months.

From the date it received the loan and over the twenty-four week period that followed, the Council used the proceeds of the PPP loan for qualified expenses and applied for loan forgiveness. On May 5, 2021 the Council received notification that the full amount of the loan, along with accrued interest of \$1,677, had been forgiven.

Note 7 - Fund Balances - Fund Financial Statements

At year-end, none of the special revenue funds have a fund balance. The fund balances of the special revenue funds are 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 \$13,884 of restricted funds to be used specifically for senior citizen activities at various senior centers and utility assistance.

Note 8 - In-Kind Contributions

The Council received a variety of in-kind contributions during the year, but does not record the fair value of them in its government-wide and fund financial statements, except for the donation of capital assets. In the case of a donation of a capital asset, accounting principles for governmental entities require the 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	\$ 150,740
Utilities for facilities	12,784
Janitorial and maintenance services	10,325
Insurance	9,859
Telephone	1,966
Van usage	<u>81,156</u>
Total estimated in-kind contributions	<u>\$ 266,830</u>

Note 9 - 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 10 - 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 11 - 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. On December 21, 2020 the Council elected to renew the lease for another twenty-year term, which will begin February 6, 2021. 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 12 - 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 13 - 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 14 - 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 15 - COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak a global pandemic. Despite the efforts to contain the virus and the safeguards taken to protect everyone, the virus has significantly affected all economies throughout the world. Specifically, the Council has had to alter its normal operations in response to the virus to protect its clients and employees while still trying to provide services to the elderly. As of the date of the issuance of these financial statements, the impact to the Council's financial position has been minimal. However, because the virus has not been fully controlled, the future impact to the Council is unknown.

Note 16 - 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, or virus pandemics.

Note 17 - Related Party Transactions

There were no related party transactions during the fiscal year.

Note 18 - Purchase Commitments

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

Note 19 - 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	\$ 78,013	\$ 0
Title III C-1	39,429	0
Totals for the General Fund	<u>117,442</u>	<u>0</u>
Special Revenue Funds:		
Major Funds:		
Title III B:		
General Fund	0	78,013
Title III C-1:		
General Fund	0	39,429
Totals for Special Revenue Funds	<u>0</u>	<u>117,442</u>
Totals for All Funds	<u>\$ 117,442</u>	<u>\$ 117,442</u>

Note 20 - Interfund Transfers

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

	<u>Operating Transfers</u>	
	<u>In From</u>	<u>Out To</u>
General Fund:		
Title III B Fund	\$ 0	\$ 132,181
Title III C-2 Fund	0	129,425
Nonmajor Funds	100	0
Total General Fund	<u>100</u>	<u>261,606</u>
Title III B - Fund:		
General Fund - Senior Center grant	\$ 114,567	\$ 0
General Fund - Sup. Senior Center grant 2	7,252	0
General Fund - various local funds	10,362	0
Total Title III B Fund	<u>132,181</u>	<u>0</u>
Title III C-2 - Fund:		
General Fund - various local funds	\$ 25,765	\$ 0
General Fund - PCOA grant	100,000	0
General Fund - Senior Center grant	3,100	0
General Fund - Sup. Senior Center grant 2	560	0
Total Title III C-2 Fund	<u>129,425</u>	<u>0</u>
Nonmajor Funds in the Aggregate:		
Title III E:		
General Fund	\$ 0	\$ 100
Total for Nonmajor Funds	<u>0</u>	<u>100</u>
Grand Totals	<u>\$ 261,706</u>	<u>\$ 261,706</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 20 - Subsequent Events

Management has evaluated subsequent events through December 29, 2021, 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, 2021

	Budgeted Amounts	Budgeted Amounts	Actual Amounts	Variance with Final Budget
	Original	Amended (Final)	Modified Accrual Basis	Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs:				
PCOA	\$ 100,000	\$ 100,000	\$ 100,000	\$ 0
Senior Center primary grant	114,567	114,567	114,567	0
Supplemental Senior Center grant #1	3,100	3,100	3,100	0
Supplemental Senior Center grant #2	7,812	7,812	7,812	0
CAAA (Application Assistant Grant - CARES ACT)	0	0	15,315	15,315
Tangipahoa Parish Government:				
Annual Award	60,000	60,000	60,000	0
Health Insurance Reimbursements	37,575	37,535	37,536	1
Section 5311 and 5307 Pass-through Grants	0	0	8,049	8,049
City of Hammond	50,000	50,000	50,000	0
City of Ponchatoula	29,076	29,076	29,076	0
Public Support - restricted	8,942	1,830	2,460	630
Public Support - unrestricted	93,081	93,081	123,686	30,605
Program Service Fees - transportation services	72,661	700	4,040	3,340
Interest Income	100	100	123	23
Miscellaneous	7,800	7,800	5,198	(2,602)
Total revenues	584,714	505,601	560,962	55,361
EXPENDITURES				
Current:				
Personnel	0	42,549	7,999	34,550
Fringe	0	6,859	1,305	5,554
Travel	0	645	68	577
Operating Services	0	21,774	2,884	18,890
Operating Supplies	0	3,910	4,042	(132)
Other Costs	0	3,701	1,007	2,694
Meals	0	0	0	0
Full Service Contracts (art instructor)	0	0	364	(364)
Utility Assistance	0	500	523	(23)
Capital Outlay	10,500	0	12,353	(12,353)
Intergovernmental	0	5,440	9,019	(3,579)
Debt Service - Interest	0	0	1,677	(1,677)
Total expenditures	10,500	85,378	41,241	44,137
Excess of revenues over expenditures	574,214	420,223	519,721	99,498
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of vehicles	0	0	5,500	5,500
PPP Loan Forgiveness	0	0	130,798	130,798
Transfers in	0	0	100	100
Transfers out	(574,214)	(380,922)	(261,606)	119,316
Total other financing sources and uses	(574,214)	(380,922)	(125,208)	255,714
Net increase (decrease) in fund balance	\$ 0	\$ 39,301	394,513	\$ 355,212
FUND BALANCE				
Beginning of year			168,024	
End of year			\$ 562,537	

See 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, 2021**

	<u>Budgeted Amounts</u>	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Amended (Final)</u>	<u>Modified Accrual Basis</u>	<u>Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental:				
Capital Area Agency on Aging (CAAA)	\$ 122,099	\$ 134,697	\$ 116,099	\$ (18,598)
Tangipahoa Parish Government - Section 5311 & 5307	257,000	209,324	298,017	88,693
Town of Kentwood	2,400	2,400	2,400	0
Public Support - restricted (client contributions)	2,300	800	1,117	317
Total revenues	<u>383,799</u>	<u>347,221</u>	<u>417,633</u>	<u>70,412</u>
EXPENDITURES				
Current:				
Personnel	403,034	236,492	349,564	(113,072)
Fringe	36,472	35,698	56,390	(20,692)
Travel	5,338	4,329	2,866	1,463
Operating Services	82,529	65,550	86,727	(21,177)
Operating Supplies	161,770	26,778	35,780	(9,002)
Other Costs	11,069	13,552	18,487	(4,935)
Full Service Contracts	0	0	0	0
Total expenditures	<u>700,212</u>	<u>382,399</u>	<u>549,814</u>	<u>(167,415)</u>
Excess of expenditures over revenues	<u>(316,413)</u>	<u>(35,178)</u>	<u>(132,181)</u>	<u>(97,003)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	316,413	53,776	132,181	78,405
Transfers out	0	(18,598)	0	18,598
Total other financing sources and uses	<u>316,413</u>	<u>35,178</u>	<u>132,181</u>	<u>97,003</u>
Net increase (decrease) in fund balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>
FUND BALANCE				
Beginning of year			<u>0</u>	
End of year			<u>\$ 0</u>	

See 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, 2021**

	Budgeted Amounts	Budgeted Amounts	Actual Amounts	Variance with Final Budget
	Original	Amended (Final)	Modified Accrual Basis	Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
Capital Area Agency on Aging (CAAA)	\$ 57,419	\$ 150,768	\$ 284,099	\$ 133,331
City of Amite	6,500	6,500	11,435	4,935
United Way of America	25,000	25,000	28,141	3,141
Public Support - restricted (client contributions)	3,331	8,350	11,288	2,938
Miscellaneous (Alternate Vendor)	0	0	19	19
Total revenues	<u>92,250</u>	<u>190,618</u>	<u>334,982</u>	<u>144,364</u>
EXPENDITURES				
Current:				
Personnel	164,241	274,081	203,085	70,996
Fringe	11,858	37,734	31,617	6,117
Travel	12,000	1,180	4,333	(3,153)
Operating Services	5,504	27,469	20,428	7,041
Operating Supplies	26,000	15,745	7,797	7,948
Other Costs	0	6,704	5,049	1,655
Meals	88,000	190,500	192,098	(1,598)
Full Service Contracts	0	0	0	0
Total expenditures	<u>307,603</u>	<u>553,413</u>	<u>464,407</u>	<u>89,006</u>
Excess of expenditures over revenues	<u>(215,353)</u>	<u>(362,795)</u>	<u>(129,425)</u>	<u>233,370</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	215,353	362,795	129,425	(233,370)
Transfers out	0	0	0	0
Total other financing sources and uses	<u>215,353</u>	<u>362,795</u>	<u>129,425</u>	<u>(233,370)</u>
Net increase (decrease) in fund balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>
FUND BALANCE				
Beginning of year			<u>0</u>	
End of year			<u>\$ 0</u>	

See notes to required supplementary information.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
The Tangipahoa Voluntary Council on Aging
Amite, Louisiana
For the Year Ended June 30, 2021

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 held before the end of the current fiscal year. The original budget for FY 2021 was adopted at a board meeting on March 5, 2020 and the final amended budget was adopted at a board meeting on April 20, 2021.
- 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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Continued)

budget funds in the next fiscal year to complete the grant or contract. An example where this might occur is when vehicles are acquired under a federal matching 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 amended its FY 2021 budget once.
- 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

Initially, management prepared a balanced budget in the General Fund this year because it believed the expenditures would not exceed the revenues. However, as the year progressed, it amended the General Fund's budget to reflect an excess of revenues over expenditures and transfers out.

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, 2021**

	Title III E Fund	Totals
<u>REVENUES</u>		
Intergovernmental:		
Capital Area Agency on Aging (CAAA)	\$ 130	\$ 130
Total revenues	130	130
<u>EXPENDITURES</u>		
Health, Welfare, & Social Services:		
Current:		
Personnel	23	23
Fringe	3	3
Travel	0	0
Operating Services	2	2
Operating Supplies	1	1
Other Costs	1	1
Full Service Contracts	0	0
Capital Outlay	0	0
Total expenditures	30	30
Excess of revenues over (under) expenditures	100	100
<u>OTHER FINANCING SOURCES (USES)</u>		
Operating transfers in	0	0
Operating transfers out	(100)	(100)
Total other financing sources and uses	(100)	(100)
Net increase (decrease) in fund balance	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, 2021

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
<u>Capital Assets</u>				
Vehicles	\$ 181,750	\$ 0	\$ (82,463)	\$ 99,287
Office furniture and equipment	13,816	12,353	(1,300)	24,869
Nutrition equipment	4,290	0	0	4,290
Leasehold improvements	41,332	0	0	41,332
 Total capital assets	 \$ 241,188	 \$ 12,353	 \$ (83,763)	 \$ 169,778
 <u>Investment in Capital Assets</u>				
Property acquired with funds from -				
Local funds and donations	\$ 174,192	\$ 12,353	(17,880)	\$ 168,665
FTA	65,883	0	(65,883)	0
Title III B	590	0	0	590
Title III C-1	267	0	0	267
Title III C-2	134	0	0	134
Senior Center	122	0	0	122
 Total investment in capital assets	 \$ 241,188	 \$ 12,353	 \$ (83,763)	 \$ 169,778

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, 2021**

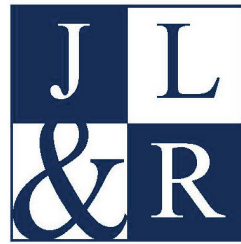
Executive Director's (Agency Head) Name: Debi Fleming

Purpose	Amount
Salary	\$ 60,000.00
Benefits-insurance (health and life)	12,233.52
Benefits-retirement	-
Benefits-other - Fringe (LUTA, Worker's Comp, FICA)	5,791.20
Vehicle provided by government (enter amount reported on W-2)	1,076.11
Reimbursement of Expenses paid by the Executive Director	3,898.95
Travel	-
Registration fees	-
Conference travel	-
Total	\$ 82,999.78

See auditor's report.

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

Megan E. Lynch, CPA
B. Jacob Steib, CPA
Brody A. Howes, CPA
Lauren Kimble Smith, CPA
Christie J. Barado
Connor J. Collura
Sharon B. Bravata
Krystal L. Waddell
Taylar M. Savaski
Debbie G. Faust, EA



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

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

The Board of Directors of
The 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, 2021, 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 29, 2021.

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) as a basis for designing 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.

Tangipahoa Voluntary Council on Aging
December 29, 2021

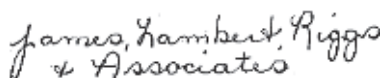
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control 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 financial statements. 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 29, 2021

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
The Tangipahoa Voluntary Council on Aging
Amite, Louisiana
For the Year Ended June 30, 2021

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, 2021

Financial Statement Findings

The auditor did not report any financial statement findings in his audit of the Council's FY 2020 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, 2021

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, 2021.

The findings from the June 30, 2021 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.