

**WASHINGTON COUNCIL ON THE AGING, INC.**  
**BOGALUSA, LOUISIANA**

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**ANNUAL FINANCIAL STATEMENTS**

**As of and for the Year Ended June 30, 2022**



**Hebert Johnson  
& Associates, Inc.**  
Certified Public Accountants

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*A Professional Accounting Corporation*

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Washington Council on the Aging, Inc.  
Bogalusa, Louisiana

### **Report on the Audit of the Financial Statements**

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Washington Council on the Aging Inc., Bogalusa, Louisiana, (the Council) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

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 Washington Council on the Aging Inc., Bogalusa, Louisiana, as of June 30, 2022, 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.

#### *Responsibilities of Management of 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Washington Council on the Aging Inc.'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is



not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Washington Council on the Aging Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Washington Council on the Aging Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 through 18) and budgetary comparison information (pages 60 through 65) be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The accompanying Comparative Schedule of Capital Assets and Changes in Capital Assets is presented for purposes of additional analysis by the Governor's Office of Elderly Affairs (GOEA). The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit requirement for Federal Awards*. In addition, Louisiana Revised Statute 24:513 (A)(3), as amended, requires the Council to present a supplementary schedule of Compensation, Benefits, and Other Payments Made to the Council's Executive Director for the fiscal year. These schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2022 on our consideration of the Council'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 Council'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 Council's internal control over financial reporting and compliance.

Respectfully Submitted,

*Chris Johnson*

Hebert Johnson & Associates, Inc.  
A Professional Accounting Corporation  
Ponchatoula, Louisiana  
December 14, 2022



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Washington Council on the Aging, Inc.**

**June 30, 2022**

The following discussion and analysis of the Washington Council on the Aging, Inc.'s (the Council) financial performance provides an overview of the Council's financial performance and activities for the year ended June 30, 2022. 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 \$347,357, or about 19%.
- Net investment in capital assets of the Council decreased by \$3,584, or about 3.5%.
- Administrative expenses increased this year by \$25,433, or about 9.3%.
- The unassigned fund balance for the Council's General Fund was \$2,048,076, at year-end, which is a \$347,565 or 20.4% increase from the prior year.
- Fund revenues decreased by \$38,825, or about 2.3%.
- Fund expenditures increased by \$124,816, or about 10.35%.
- No deficit fund balances existed at year-end.
- The Council did not have any long-term liabilities at year-end.

### **How to Use This Annual Report**

The Council's annual financial report consists of seven 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
- (6) Supplementary financial information required by federal regulations, and
- (7) 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 and what remains for future spending for governmental funds.



Fund financial statements also report the Council's operations in more detail than the government-wide financial statements by providing information about the Council's most significant funds.

The 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 the MD&A and certain budgetary comparison schedules required by accounting principles generally accepted in the United States of America 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 other supplementary financial information presented for purposes of additional analysis by state and federal agencies and that this information is fairly stated in all material respects in relation to the financial statements as a whole.

On page 73 of this reporting package is a second auditor's report. This report is on the Council's 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*. 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 disclose one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

On page 75 of this reporting package is a third auditor's report. This report is on the Council's compliance for each major federal program and on the Council's internal control over compliance based on an audit of financial statements performed in accordance with *Government Auditing Standards* and the federal government's *Uniform Guidance*. In this report the auditor states that the Council complied in all material respects with compliance requirements that could have a direct and material effect on each of its major federal programs. In addition, the auditor did not identify any deficiencies in internal control over compliance that he considered to be material weaknesses. However, material weaknesses may exist that he did not identify.

## **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 (Exhibits A and B) 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 found on pages 20 and 21 report the Council's



net position and changes in them. However, to assess the overall financial position of the Council, the user must also consider non-financial factors, such as the condition of the Council's capital assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

The Statement of Net Position (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 (*accrual* basis), 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, which is the governmental activity of the Council, is comprised of various programs that include supportive social services, nonelderly transportation, nutritional services, family caregiver support, and senior citizen activities. 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 one where the Council uses money it receives from governmental grants and contracts along with general public donations, 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 with the intention of making a profit or recovering the full cost of providing the service, that activity would be classified as a business-type activity. The Council does not have any business-type activities. Note that the Council does charge fees for its nonelderly, general public transportation services, but the Council does not expect the fees to cover the costs of operating this program. This year the Council received a capital grant of \$2,337 to purchase a computer for this transportation, however, if you disregard this grant, the program will show a deficit similar to past years.

### **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 (Exhibits C and D) 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 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 fund operations.

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 general fund receives general revenue primarily from a property tax, GOEA grants, program service fees, and public donations. General funds are often transferred to special revenue funds to help pay for expenditures that exceeded 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. The special revenue funds have no fund balance at year-end because all revenue received is expended in the same year.

The Council has presented the General Fund, Title III B Fund, Title III C-1, Title III C-2 Fund, and Title III E 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. All *nonmajor* governmental funds, if any, are presented in one column on the fund financial statements, titled *Nonmajor* Funds. There were no *nonmajor* governmental funds to present this year.

### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes follow the fund financial statements and should be read before making assumptions or drawing conclusions about the Council's financial condition.



### **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 60 to 65). 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 beginning on page 60.

### **SUPPLEMENTARY FINANCIAL INFORMATION FOR GOEA ANALYSIS**

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present a combining schedule that provide 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 the information submitted by the Council during the year to help GOEA monitor certain compliance requirements set forth in the grants that it has with the Council. (See page 68) Note that the combining schedule for the nonmajor governmental funds was not prepared this year because the Council did not have any nonmajor funds.

### **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 (see page 70). 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.

### **SUPPLEMENTARY INFORMATION REQUIRED BY FEDERAL UNIFORM GUIDANCE**

*Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit requirement for Federal Awards* requires a Schedule of Expenditures of Federal Awards to be included as supplemental information. This schedule will present information about the Council's federally funded programs in a manner that can facilitate financial and compliance analysis by the agencies that have granted federal money to the Council.



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

## Condensed Statement of Net Position

	2022	2021	Increase (Decrease)	% Increase (Decrease)
Current and Other Assets:				
Current Assets	\$ 2,125,186	\$ 1,737,299	\$ 387,887	22.33%
Other Assets	0	4,806	(4,806)	-100.00%
Capital Assets, net of depreciation	99,548	103,132	(3,584)	-3.48%
Total Assets	<u>2,224,734</u>	<u>1,845,237</u>	<u>379,497</u>	<u>20.57%</u>
Current Liabilities	45,679	13,539	32,140	237.39%
Total Liabilities	<u>45,679</u>	<u>13,539</u>	<u>32,140</u>	<u>237.39%</u>
Net Position:				
Net Investment in Capital Assets	99,548	103,132	(3,584)	-3.48%
Restricted	12,333	10,986	1,347	12.26%
Unrestricted	2,067,174	1,717,580	349,594	20.35%
Total Net Position	<u>\$ 2,179,055</u>	<u>\$ 1,831,698</u>	<u>\$ 347,357</u>	<u>18.96%</u>

As noted earlier, net position may serve over time as a useful indicator of the Council's financial position. As of June 30, 2022, and 2021, the Council *as a whole* had assets greater than its liabilities of \$2,179,055 and \$1,831,698, respectively. This \$347,357 increase from last year is a good indication that that Council's financial condition has improved. About 95% of the Council's total net position is *unrestricted* at year-end whereas it was about 94% last year-end. Unrestricted net position is important because it provides management the resources to adapt to changes in the economy, emergencies, unanticipated service needs and a reduction in or termination of grant revenues by government agencies. There are multiple reasons for the 20% increase in the unrestricted net position this year. One reason is because the Council received \$89,296 of ARP grant funds that were used to pay for costs in the special revenue funds which allowed the Council to retain more of its property tax money in the General Fund. A second reason is because DOTD reimbursed the Council 100% of its transportation costs this year instead of 50%, which is the normal reimbursement rate. As a result of this increase in the reimbursement rate, the Council received about \$210,000 more from DOTD this year versus a year in which the reimbursement rate is only 50%.

The Council's *restricted* net position represents less than 1% of the Council's total net position at the end of each year. Net position is reported as restricted when the constraints placed upon the assets' use are either (a) externally imposed by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

The *net investment in the capital assets* portion of net position is presented net of any related

outstanding debt to acquire them. There is, however, no debt to be subtracted from the capital assets. The Council's policy is to acquire capital assets by paying cash and avoiding debt. This policy helps assure that management will stay within its financial means so that future revenues will be spent for client services instead of debt service. Net investment in capital assets represents about 4.5% of total net position at the end of 2022 compared to 5.6% at the end of 2021.

The table presented below illustrates a summarized or condensed presentation of the revenues and expenses that caused the change in net position for 2022 and 2021, respectively.

<b>REVENUES</b>	<b>2022</b>	<b>% of 2022 Total</b>	<b>2021</b>	<b>% of 2021 Total</b>	<b>Increase (Decrease)</b>
Program Revenues:					
Charges for Services	\$ 6,698	0.40%	\$ -	0.00%	\$ 6,698
Operating Grants and Contributions	880,860	52.89%	899,637	49.38%	(18,777)
Capital Grants and Contributions	2,337	0.14%	0	0.00%	2,337
General Revenues:					
Property Taxes, net of withholding	585,126	35.13%	595,870	32.70%	(10,744)
Unrestricted Grants and Contributions	171,494	10.30%	173,418	9.52%	(1,924)
FFCRA Wage Credits	127	0.01%	18,822	1.03%	(18,695)
PPP Loan Forgiveness	0	0.00%	126,467	6.94%	(126,467)
Other General Revenues	18,733	1.12%	7,831	0.43%	10,902
<b>Total Revenues</b>	<b>1,665,375</b>	<b>100.00%</b>	<b>1,822,045</b>	<b>100.00%</b>	<b>(156,670)</b>
<b>EXPENSES</b>					
Supportive Services:					
Transportation of the elderly	385,643	29.26%	320,317	26.68%	65,326
Homemaker	71,355	5.41%	81,194	6.76%	(9,839)
Other supportive services	65,827	4.99%	60,483	5.04%	5,344
Transportation of the non-elderly	66,623	5.05%	122,475	10.20%	(55,852)
Nutrition Services:					
Congregate Meals	101,326	7.69%	0	0.00%	101,326
Home-delivered Meals	137,217	10.41%	254,570	21.20%	(117,353)
Meal Vouchers	9,984	0.76%	0	0.00%	9,984
Family Caregiver Support	168,536	12.79%	77,625	6.47%	90,911
Other Senior Citizen Activities	12,536	0.95%	9,221	0.77%	3,315
Interest expense	0	0.00%	1,097	0.09%	(1,097)
Direct Administrative Expenses	298,971	22.68%	273,538	22.78%	25,433
<b>Total Expenses</b>	<b>1,318,018</b>	<b>100.00%</b>	<b>1,200,520</b>	<b>100.00%</b>	<b>117,498</b>
<b>Increase (Decrease) in Net Position</b>	<b>347,357</b>		<b>621,525</b>		<b>\$ (274,168)</b>
Net position, beginning of year	1,831,698		1,210,173		
<b>Net position, end of year</b>	<b>\$ 2,179,055</b>		<b>\$ 1,831,698</b>		



## AN ANALYSIS OF GOVERNMENTAL ACTIVITIES

As illustrated by the table above, the largest source of revenues came from **operating grants and restricted contributions** (53%) and must be used specifically in the programs to which they relate. This source of revenue decreased by \$18,777 when compared to last year. The **property tax revenue** is the Council's second largest source of revenue (35%) and decreased by \$10,744 when compared to last year. This revenue source can be used for any of the Council's programs or services, which makes it extremely important. **Unrestricted grants and contributions** represent about 10.3% of gross revenues and decreased (\$1,924) versus last year. **Charges for services** arise from fees the Council has charged for providing a particular service and this revenue source is used to pay for the expenses of the programs for which the fees were charged. The Council did not charge anyone for services last year due to the virus pandemic. But once the government mandates were lifted, nonelderly public transportation resumed and this generated \$6,698 in program service fees this year. **Capital grants and contributions** had no activity last year but this year the Council received \$2,337 from DOTD to purchase a computer to use in its transportation programs. **FFCRA wage credits** represent income the Council received in 2021 to reimburse it for having paid employees for time they missed work due to COVID-19. This source of revenue mainly applied last year because employees missed work due to the corona virus. This year the Council did not have as many employees missing work so the revenue was only \$127. **PPP loan forgiveness** represents revenue the Council received as a result of spending its PPP loan proceeds on qualified expenses such as payroll over a 24-week period following the date it received the loan proceeds. The terms of the loan allowed the Council to ask for loan forgiveness provided it complied with certain requirements; the main one being spending the money on payroll to retain employees. This particular source of revenue was a *one-time* event for 2021 so it did not apply for this fiscal year. **Other general revenues** increased (\$10,902) this year mainly because the Council received \$11,779 of insurance proceeds related to wind damages at its Franklinton location.

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

When reviewing the government-wide Statement of Activities (Exhibit B), there are relationships that are important to the understanding of the Council's operations. From an overall perspective you will see the Council's largest activities are transportation (elderly and nonelderly), homemaker, nutrition services, and family caregiver support. If you analyze this information more closely, you will see some large changes in the types of services the Council provided this year versus last year.



These changes are the result of government mandates being lifted as the virus pandemic subsided. For example, the costs to provide elderly transportation increased this year by \$65,326 whereas nonelderly transportation costs decreased by \$55,852. This indicates more elderly people started using the Council's transportation services when they felt it was safer to do so. Another example involves nutrition services where you can see that only home-delivered meals were provided in 2021 in order to ensure safety whereas in 2022 people returned to the congregate meal sites. Accordingly, the need for home-delivered meals decreased. In 2022 a new nutrition service was offered called *meal vouchers*, which allowed a person to obtain a meal from a local restaurant and pay for it with a voucher that had been provided by the Council. A third example, relates to the large increase in family caregiver support, which had a large demand as a byproduct of the virus. The Council was able to secure more funding for this service in 2022 to meet the demand for this service.

Another area of interest on the Statement of Activities relates to the *Total Governmental Activities* column wherein the Council shows that most of the governmental activities have more expenses than revenues. In other words, the Council's programs are generally not self-supporting. However, on occasion, a program might *break even* or even make a *profit*. The Council's ability to support all governmental activities relies heavily on general revenues, particularly the local property tax. 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 property tax revenue and the unrestricted grants and contributions, the Council would be unable to provide services at current levels. Furthermore, the general nature of these revenues allows for management discretion as to how to use them to pay for the Council's current services as well as reallocating them to meet changing demands.

Another indication of how money is used efficiently or inefficiently can be analyzed 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. For 2022, total administration expenses were \$298,971 or about 18% of total revenues, whereas these administration expenses were \$273,538 or about 15% of total revenues in 2021. These percentages are within the range that management expected and are *in line* with those of a typical council on aging. Administration expenses include indirect-type costs, which are costs that are not specifically identified with a particular program but benefit all programs.



## 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 \$2,074,701, which is an increase of \$359,965 when compared to last year. The \$359,965 increase is 100% attributable to the Council's General Fund. There were no changes in the fund balances for the special revenue funds. The unassigned fund balance component of the General Fund was \$2,048,076 and is available for spending at management's discretion. The remainder of the fund balance consists of \$12,333 of restricted resources and \$14,292 of nonspendable resources. Nonspendable resources represent prepaid expenditures.

### Revenues

The combined fund revenues decreased \$38,825 this year versus last year, as shown in the table below.

		% of 2022		% of 2021	Increase/(Decrease)	
	2022	Total	2021	Total	Amount	Percent
Intergovernmental	\$ 1,024,970	61.12%	\$ 1,046,743	61.00%	\$ (21,773)	-2.08%
Property Taxes	605,334	36.09%	615,603	35.88%	(10,269)	-1.67%
Public Support	29,578	1.76%	25,544	1.49%	4,034	15.79%
Program Service Fees	6,698	0.40%	0	0.00%	6,698	100.00%
Interest Income	4,074	0.24%	2,416	0.14%	1,658	68.63%
Building Rent	6,000	0.36%	6,000	0.35%	0	0.00%
FFCRA Wage Credits	127	0.01%	18,822	1.10%	(18,695)	100.00%
Miscellaneous	308	0.02%	786	0.05%	(478)	-60.81%
Total Revenues	<u>\$ 1,677,089</u>	100.00%	<u>\$ 1,715,914</u>	100.00%	<u>\$ (38,825)</u>	-2.26%

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 \$21,773 net decrease in **intergovernmental revenue** was primarily due to the Council receiving (1) \$112,527 less from federally funded CARES Act grants and (2) \$89,296 more in federally funded American Rescue Program (ARP) grants. Both these types of grants were based on efforts by the federal government to assist agencies in dealing with the financial difficulties that arose during the



virus pandemic. As one type of grant ended, the federal government created a new type of grant, which is what happened over the past two years.

**Property tax revenue** represents a significant revenue source in both years. The expected trend is that the assessed value for the taxable property in the parish will increase each year, which will produce an increase in the property tax revenue. This year the assessed value increased about 4.6 million dollars, which produced \$30,572 more in current year property tax revenue over last year. The Council has no control over how much it receives from property taxes each year. Occasionally, there are disputes between the taxpayers and the parish assessor that might take several years to resolve that result in unexpected revenues in later years. As a result, some amounts related to this year's property tax might be collected in future years. Typically, these amounts are not significant, which was the case for 2022. Prior year tax collections were only \$1,687. However, for 2021, the Council collected \$42,528 of property taxes relating to past years, which was \$40,841 more than this year. As a result, when these two components are considered, property tax revenues for this year were \$10,269 less than last year.

The Council also receives **public support** in the form of voluntary restricted and unrestricted donations from its clients and the general public. Public support allows the Council to maintain and expand services. This year public support increased by \$4,034 overall. There are multiple reasons for the increase in public support. In 2022 client contributions increased by \$19,374 because services began to return to normal. In addition, the Council generated \$3,201 from its annual picnic. However, in 2021 the Council received a *one-time* donation from a local company of \$20,000, which did not recur in 2022. As a result, this offset the increases in the other components of public support. Because public support is voluntarily contributed, it is an unpredictable revenue source. However, management hopes that it will maintain a relatively stable range from year-to-year.

**Program service fees** arise from the Council charging for transportation services. Last year the Council did not charge any fees for providing transportation services because of the pandemic. However, this year services returned to normal and fees were charged that generated \$6,698. Typically, the revenue for this category will fluctuate each year based on the demand from the public for transportation services.

The other revenue categories represent a small fraction of the total revenues the Council received and either have been discussed in another section of this MD &A or do not have any individual items that are noteworthy of discussion.

## Expenditures

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

		% of 2022		% of 2021	Increase/(Decrease)	
	2022	Total	2021	Total	Amount	Percent
Personnel	\$ 644,315	48.43%	\$ 644,330	53.45%	\$ (15)	0.00%
Fringe	65,387	4.91%	59,357	4.92%	6,030	10.16%
Travel	9,695	0.73%	4,147	0.34%	5,548	133.78%
Operating Services	153,240	11.52%	129,665	10.76%	23,575	18.18%
Operating Supplies	74,399	5.59%	63,348	5.25%	11,051	17.44%
Other Costs	96,018	7.22%	69,349	5.75%	26,669	38.46%
Full Service	202,132	15.19%	78,676	6.53%	123,456	156.92%
Meals	62,583	4.70%	135,885	11.27%	(73,302)	-53.94%
Interest	89	0.01%	1,097	0.09%	(1,008)	-91.89%
Capital Outlay	2,337	0.18%	0	0.00%	2,337	100.00%
Intergovernmental	20,208	1.52%	19,733	1.64%	475	2.41%
	<u>\$ 1,330,403</u>	100%	<u>\$ 1,205,587</u>	100%	<u>\$ 124,816</u>	10.35%

**Personnel** expenditures were almost exactly the same as last year even though the Council gave employees a 5% raise and maintained its workforce steady at around 32 employees. This was because some employees worked less hours this fiscal year and a couple of long-time employees retired during the year.

**Fringe** expenditures increased \$6,030 this year mainly due to an increase of \$2,716 in workman's compensation costs, \$1,090 in retirement plan matching contributions, and \$2,224 in payroll taxes.

**Travel** expenditures increased \$5,548 this year because there was more employee travel to provide services, which resulted in an increase in mileage reimbursements.

**Operating service** expenditures increased \$23,575. Some of the more notable changes included a \$2,067 increase in telephone, a \$1,349 increase in general liability insurance, a \$2,175 increase in equipment maintenance, a \$13,359 increase in building maintenance, and a \$5,500 increase in rent.

**Operating supplies** expenditures increased by \$11,051. This increase is primarily related to a \$10,852 increase in vehicle fuel and other vehicle supplies and a \$1,463 increase in office supplies.

**Other costs** increased by \$26,669 this year. Some of the most notable increases in this category are accounting and auditing services (\$15,470), conferences and training (\$1,500), and senior activities



(\$5,670). This expenditure category is comprised of a variety of costs.

**Full service** expenditures increased \$123,456 when compared to last year because the Council spent more money on caregiver vouchers (\$89,873) in its Family Caregiver Support program, meal vouchers (\$9,984), and material aid (\$23,832). ARP grant funds enabled the Council to increase full service type expenditures this year, which directly benefited the recipients.

**Meals** expenditures decreased by \$73,302 when compared to last year. This year the Council served 31,769 less home-delivered meals (50,777 vs. 82,546) and 22,936 more congregate meals (22,936 vs. 0) than it did last year.

**Interest** expenditures decreased by \$1,008 this year because the Council had a PPP loan last year which it did not have this year.

**Capital outlay** expenditures were \$2,337 this year because the Council only bought one item – a computer. This expenditure category fluctuates year to year depending on the needs of the Council.

**Intergovernmental** expenditures include \$20,208 of funds withheld by the Sheriff from the Council's property tax proceeds to pay a required share of retirement contributions for other public retirement plans in Louisiana as required by state law. The Council has no control over this amount and it varies based on the gross property tax revenue collected by the Sheriff on behalf of the Council. Last year, \$19,733 was withheld for the same purpose.

### **AN ANALYSIS OF THE GENERAL FUND BUDGET**

The budget was amended once during the year. Generally, the budget is amended to account for unanticipated changes in revenues, expenditures, and transfers and to prevent compliance violations under the Council's grants from GOEA and Capital Area Agency on Aging (CAAA).

The budgetary comparison schedule for the General Fund is found on page 60. When you review this schedule, you will note that the original budget forecasted the Council would have an excess of revenues and other sources over expenditures and other uses of \$282,900, whereas the amended budget forecasted this excess to be \$409,288 (an increase of \$126,388). The noteworthy changes between the original budget and the final amended budget are as follows:

- The amount of property tax revenue originally budgeted was \$592,587, whereas on the final amended budget \$607,352 was forecasted, which is a \$14,765 increase.
- The largest change in revenues was to increase the amount of funds (\$33,715) the Council would receive from DOTD via the Washington Parish Government as reimbursement of local transportation expenses.

- There were several adjustments made to the various expenditure categories, but the grand total for expenditures remained almost the same as the original budget.
- Transfers from the General Fund to various special revenue funds were decreased by \$64,174 when the budget was amended to reflect lower costs and increased revenues in those funds.
- There were two other financing sources added to the amended budget – proceeds from insurance of \$11,779 and proceeds from the sale of a vehicle of \$1,500. These were not contemplated at the time the original budget was prepared.

The actual results for the year netted to an overall unfavorable variance of \$49,323 when compared to the amended budget. Some of the reasons for the actual results having a net unfavorable variance with the amended budget are as follows:

- The rural transportation grant revenue for nonelderly persons was \$9,063 less than budgeted.
- Program service fees were \$6,698 more than forecasted.
- Restricted public support was \$4,622 more than forecasted.
- Actual total expenditures were \$7,068 less than budgeted total expenditures.
- Actual transfers to other programs in the various special revenue funds were \$59,621 more than expected. This means the net costs to operate those programs were more than management's expectations.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of the year, the Council had \$99,548 in capital assets, net of accumulated depreciation, which is a decrease from last year of \$3,584. The decrease is all attributable to the current year's depreciation of capital assets (\$5,921), which was offset by one capital asset acquisition of \$2,337 for a computer. There was disposition this year, which was the sale of a bus for \$1,500.

	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>Increase / (Decrease)</u></b>
Vehicles	\$ -	\$ -	\$ -
Equipment	8,876	8,750	126
Building and Improvements	81,672	85,382	(3,710)
Land	9,000	9,000	-
	<b><u>\$ 99,548</u></b>	<b><u>\$ 103,132</u></b>	<b><u>\$ (3,584)</u></b>



The Council had two vans titled in its name at the end of the fiscal year, which are included in capital assets. Both these vans are fully depreciated and used to for home-delivered meals. In addition, the Council also has the use of eleven additional vans, at year-end, which are owned by the Town of Franklinton or Washington Parish Government (WPG), and are not included in the capital assets of the Council. Six of the eleven vehicles are fully depreciated.

### **Debt Administration**

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

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

The Council receives most of its funding from property taxes and federal and state agencies. Because of this, the source of income for the Council is rather steady. However, some of the Council's grants and contracts are contingent upon the level of services provided by the Council, and therefore, revenues may vary from year-to-year. All of the Council's usual grants and contracts from the usual federal and state agencies have been awarded for FY 2023 and management is unaware of any significant adverse changes to the funding levels or terms of these grants and contracts, except that DOTD will only be reimbursing 50% of transportation costs next year instead of 100%. This change could result in the Council receiving about \$260,000 less in revenue under this program's grant.

For FY 2023, the Council has budgeted a \$776,660 deficit for its operations forecasting revenues of \$1,563,712 and expenditures of \$2,340,372. In setting its budget for fiscal year 2023, it was important to management that at least the same levels of service be delivered to clients and the public as were provided in 2022. In addition, the Council is planning to demolish its current Franklinton building and construct a new one, which is expected to cost about 1 million dollars. The Council has an adequate fund balance to absorb the forecasted deficit for the next fiscal year. There are no plans to add or terminate any programs in FY2023. The budget has been approved by Capital Area Agency on Aging.

### **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 Leona Magee, Executive Director at 603 Willis Avenue, Bogalusa, Louisiana 70427, by phone at (985)732-6869, or email at washcoa@bellsouth.net.

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**



Exhibit A

**Statement of Net Position**  
**Washington Council on the Aging, Inc.**  
**Bogalusa, Louisiana**  
**June 30, 2022**

	<u>Governmental Activities</u>
<b><u>ASSETS</u></b>	
Current Assets:	
Cash and Investments	\$ 1,939,604
Receivables:	
Property taxes	791
Capital Area Agency on Aging	80,162
Washington Parish Government	85,381
Other receivables	150
Prepaid expenses	19,098
Total current assets	<u>2,125,186</u>
Capital Assets:	
Land	9,000
Other capital assets, net of accumulated depreciation	90,548
Total capital assets	<u>99,548</u>
Total Assets	<u>2,224,734</u>
<b><u>LIABILITIES</u></b>	
Current Liabilities:	
Accounts payable	27,999
Credit cards payable	6,844
Accrued payroll taxes and related liabilities	3,141
Advances from funding agency - (EFSP grants)	7,695
Total current liabilities	<u>45,679</u>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	99,548
Restricted for:	
Senior Citizen Activities	2,759
Utility Assistance	9,574
Unrestricted	2,067,174
Total Net Position	<u>\$ 2,179,055</u>

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

**Statement of Activities**  
**Washington Council on the Aging, Inc.**  
**Bogalusa, Louisiana**  
**For the year ended June 30, 2022**

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	
<b>Governmental Activities</b>						
<b>Health, Welfare &amp; Social Services:</b>						
Supportive Services:						
Transportation of the elderly	\$ 385,643	\$ 154,914	\$ 0	\$ 473,517	\$ 0	\$ (67,040)
Homemaker	71,355	29,288	0	35,678	0	(64,965)
Information and Assistance	19,711	8,091	0	4,240	0	(23,562)
Outreach	13,625	5,592	0	3,545	0	(15,672)
Telephoning	5,822	2,390	0	3,665	0	(4,547)
Medic Alert	2,356	0	0	2,602	0	246
Material Aid	14,926	0	0	27,760	0	12,834
Utility Assistance	9,387	0	0	5,287	0	(4,100)
Transportation Services - non elderly:						
General Public	66,623	26,760	6,698	84,919	2,337	571
Nutrition Services:						
Congregate Meals	101,326	40,696	0	39,850	0	(102,172)
Home Delivered Meals	137,217	31,240	0	79,334	0	(89,123)
Meal Vouchers	9,984	0	0	0	0	(9,984)
Family Caregiver Support	168,536	0	0	113,695	0	(54,841)
Senior Citizen Activities	12,536	0	0	6,768	0	(5,768)
<b>Administration</b>	298,971	(298,971)	0	0	0	0
Total governmental activities	\$ 1,318,018	\$ 0	\$ 6,698	\$ 880,860	\$ 2,337	(428,123)
General Revenues:						
Property taxes, net of \$20,208 withheld by the Sheriff					585,126	
Grants and contributions not restricted to specific programs					171,494	
Interest income					4,074	
Facility rental, net of direct costs					1,214	
Proceeds from insurance					11,779	
Gain on sale of vehicle					1,500	
Miscellaneous					293	
Total General Revenues						775,480
Increase (Decrease) in net position						347,357
Net position - beginning of the year						1,831,698
Net position - end of the year						\$ 2,179,055

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



## **FUND FINANCIAL STATEMENTS**

**Fund Balance Sheet**  
**Governmental Funds**  
**Washington Council on the Aging, Inc.**  
**Bogalusa, Louisiana**  
**June 30, 2022**

	General Fund	Title III B Fund	Title III C-1 Fund	Title III C-2 Fund	Title III E Fund	Total Governmental Funds
<b>ASSETS</b>						
Cash and Investments	\$ 1,923,254	\$ 0	\$ 1,634	\$ 14,716	\$ 0	\$ 1,939,604
Receivables:						
Property taxes	791	0	0	0	0	791
Capital Area Agency on Aging	0	6,095	0	8,212	65,855	80,162
Washington Parish Government	12,585	72,796	0	0	0	85,381
Other receivables	150	0		0	0	150
Prepaid expenditures	14,292	0	0	0	0	14,292
Due from other governmental funds	130,638	0	0	0	0	130,638
Total Assets	\$ 2,081,710	\$ 78,891	\$ 1,634	\$ 22,928	\$ 65,855	\$ 2,251,018
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 4,172	\$ 3,725	\$ 1,384	\$ 14,070	\$ 4,648	\$ 27,999
Credit cards payable	941	4,845	53	1,005	0	6,844
Accrued payroll taxes and related liabilities	1,896	888	197	158	2	3,141
Advances from funding agency - (EFSP grants)	0	0	0	7,695	0	7,695
Due to other governmental funds	0	69,433	0	0	61,205	130,638
Total Liabilities	7,009	78,891	1,634	22,928	65,855	176,317
<b>Fund Balances</b>						
Nonspendable:						
Prepaid expenditures	14,292	0	0	0	0	14,292
Restricted for:						
Utility assistance	9,574	0	0	0	0	9,574
Senior citizen activities	2,759	0	0	0	0	2,759
Unassigned	2,048,076	0	0	0	0	2,048,076
Total Fund Balances	2,074,701	0	0	0	0	2,074,701
Total Liabilities and Fund Balances	\$ 2,081,710	\$ 78,891	\$ 1,634	\$ 22,928	\$ 65,855	
<b>Amounts reported for governmental activities in the statement of net position are different because:</b>						
- Prepaid expenses relating to vehicle usage are not financial resources and therefore are not reported as assets in the governmental funds						4,806
- Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds						99,548
<b>Net Position of Governmental Activities</b>						<u>\$ 2,179,055</u>

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



**Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds**

**Washington Council on the Aging, Inc.  
Bogalusa, Louisiana  
For the year ended June 30, 2022**

	General Fund	Title III B Fund	Title III C-1 Fund	Title III C-2 Fund	Title III E Fund	Total Governmental Funds
<b><u>REVENUES</u></b>						
Property Taxes	\$ 605,334	\$ 0	\$ 0	\$ 0	\$ 0	\$ 605,334
Intergovernmental	254,154	558,450	24,425	74,246	113,695	1,024,970
Public Support (Restricted)	7,355	1,375	15,410	5,088	0	29,228
Public Support (Unrestricted)	350	0	0	0	0	350
Program Service Fees (transportation services)	6,698	0	0	0	0	6,698
Interest Income	4,074	0	0	0	0	4,074
Building Rent	6,000	0	0	0	0	6,000
Miscellaneous	420	0	15	0	0	435
Total revenues	884,385	559,825	39,850	79,334	113,695	1,677,089
<b><u>EXPENDITURES</u></b>						
<b>Health, Welfare, &amp; Social Services:</b>						
<b>Current:</b>						
Personnel	54,959	432,084	92,873	64,318	81	644,315
Fringe	5,456	43,430	9,717	6,776	8	65,387
Travel	1,064	7,468	1,090	73	0	9,695
Operating services	19,912	95,408	20,351	17,569	0	153,240
Operating supplies	8,926	50,561	4,643	10,269	0	74,399
Other costs	18,033	56,813	10,720	7,965	2,487	96,018
Full service	0	26,188	9,984	0	165,960	202,132
Meals	0	0	1,539	61,044	0	62,583
Interest Expense	89	0	0	0	0	89
Capital Outlay	2,337	0	0	0	0	2,337
Intergovernmental	20,208	0	0	0	0	20,208
Total expenditures	130,984	711,952	150,917	168,014	168,536	1,330,403
Excess of revenues over (under) expenditures	753,401	(152,127)	(111,067)	(88,680)	(54,841)	346,686
<b><u>OTHER FINANCING SOURCES (USES)</u></b>						
Proceeds from insurance	11,779	0	0	0	0	11,779
Proceeds from sale of vehicle	1,500	0	0	0	0	1,500
Operating transfers in	0	152,127	111,067	88,680	54,841	406,715
Operating transfers out	(406,715)	0	0	0	0	(406,715)
Total other financing sources (uses)	(393,436)	152,127	111,067	88,680	54,841	13,279
Net increase (decrease) in fund balances	359,965	0	0	0	0	359,965
<b><u>FUND BALANCE</u></b>						
Beginning of year	1,714,736	0	0	0	0	1,714,736
End of year	\$ 2,074,701	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,074,701

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

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

**Washington Council on the Aging, Inc.  
Bogalusa, Louisiana  
For the year ended June 30, 2022**

Net Increase (Decrease) in Fund Balances - Total Governmental Funds	\$ 359,965
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Governmental funds report the amounts the Council expends as local *matching funds* on capital assistance grants, which result 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 for 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 the amortization expense for the use of the capital assets (\$9,024) exceeds the intergovernmental expenditures for matching funds (\$0) this year.

(9,024)

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 expense (\$5,921) exceeds Capital Outlay expenditures (\$2,337) this year.

(3,584)

Increase (Decrease) of Net Position of Governmental Activities	\$ 347,357
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\$ 347,357

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



**NOTES TO THE FINANCIAL STATEMENTS**

Washington Council on the Aging, Inc.  
Bogalusa, Louisiana  
June 30, 2022

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

The accounting and reporting policies of the Washington Council on the Aging, Inc. (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 Washington 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 Washington Parish.

The primary services provided by the Council to the elderly residents of Washington Parish include providing transportation, homemakers, information and assistance, outreach, telephoning, utility assistance, medic alert units, material aid, congregate and home-delivered meals, and family caregiver support. The Council also provides various types of transportation services to the general public of Washington Parish.



## **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 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 Washington Council on the Aging, Inc. (the Council) is a legally separate, non-profit, quasi-public corporation. The Council received its charter from the Governor of the State of Louisiana on October 5, 1971 and subsequently incorporated on December 15, 1972 under the provisions of Title 12, Chapter 2 of the Louisiana Revised Statutes.

A board of directors, consisting of 15 voluntary members who are at least the age of majority and serve three-year terms, governs the Council. Seven of the fifteen members may reside in the Parish Council districts which they represent. Should there be no individuals available for election from any particular Parish Council district, an individual from another Parish Council district may be nominated for election and shall serve until the next election.

The Washington Parish Government (WPG) does not appoint a voting majority of the Council's board and the WPG does not intend to impose its will to affect the operations of the Council. Furthermore, the Washington Parish Government does not provide any specific financial benefits and does not assume any specific financial burdens of the Council. As a result, the Council is not a component unit of the Washington Parish Government.

Membership in the Council is open at all times, without restriction, to all residents of Washington 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 and property taxes.

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 as follows: (1) invested in capital assets, net of related debt, (2) restricted net position, (3) 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), 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. Property taxes, unrestricted contributions, unrestricted grants, interest income, and miscellaneous revenues that are not included among program revenues are reported separately as *general revenues* in this statement. If a function or program has a net cost, then it was supported in some manner by the Council's general revenues. *Special items*, if any, are significant transactions within the control of management that are either unusual in nature or infrequent in occurrence and are separately reported below general revenues. The Council did not have any special items this year.

#### **Fund Financial Statements:**

The fund financial statements (Exhibits C and D) present financial information that is 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. For this year, management did not elevate any nonmajor fund to major fund status. The nonmajor funds, if any, 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. They are as follows: nonspendable, restricted, committed, assigned and unassigned.

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

**The General Fund** is the general operating fund of the Council and is used to account for all financial resources except those required to be accounted for in another fund.

The following is a brief description of the main programs and funding sources that comprise the Council's General Fund:

### **Local Programs and Funding**

The Council receives revenues that are not required to be accounted for in a specific program or fund. Accordingly, these revenues have been recorded in the local program of the General Fund. These funds are mostly unrestricted, which means they may be used at management's discretion. Property tax revenues represent the largest component of the Council's local funding. 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 used as transfers to other programs to eliminate deficits in cases where expenditures exceed 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 the Governor's Office of Elderly Affairs (GOEA). The Council's management may use this money at its discretion to fund any of its programs provided the program is benefiting people who are at least 60 years old. This year the Council received \$100,000 of PCOA funds, which were initially recorded as revenues of the General Fund. Subsequently, management transferred all of the PCOA funds to the Title IIIB Fund to subsidize that fund's operating expenditures.

### **Senior Center and Supplemental Senior Center Funding**

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

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 four senior centers in Washington Parish. During the year, management transferred its primary Senior Center grant funds (\$60,105) and both supplemental grant funds (\$10,913) to the Title III C-1 Fund to help subsidize the cost of providing congregate meals.

### **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. The Council did not provide this type of service during this fiscal year, so no funds related to this program were received.



### **Nonelderly General Public Transportation Program**

The Council provides a variety of transportation services to the residents of Washington Parish who are under 60 years old for a fee. Transportation services provided to residents who are elderly (at least 60 years old) are accounted for in the transportation program of the Title III B Fund. All other transportation services are accounted for in the *Nonelderly General Public Transportation* program of the General Fund. Most of the people who receive transportation services in this program are under 60 years old and do not qualify for free transportation services under one of the Council's grant programs.

During the fiscal year, the primary transportation services provided under this program consisted of the following:

- Transporting people who individually pay a cash fare for the service. Passengers are charged a fee per one-way trip based on the distance of the trip.
- Transporting people on behalf of various entities.

In addition to the program service fees generated by this program, the Council receives a grant from the Louisiana Department of Transportation and Development (DOTD) which is passed through the Washington Parish Government to the Council for rural transportation services. A portion of this grant (about 14.74%) was used to pay for the rural transportation costs for nonelderly riders and that amount (\$76,601) has been recorded directly as intergovernmental revenue in the General Fund.

### **Utility Assistance**

The Washington-St. Tammany Electric Cooperative, Inc. (WST) sponsors a utility assistance program to provide cash to persons who have a hardship in paying their utility bills. WST collects voluntary contributions from its customers and remits the funds to the Council so it can provide utility assistance funds to persons, especially the elderly, who have a hardship in paying their utility bill. The Council's policy is to evaluate the needs of the applicant on a case-by-case basis to determine how much financial assistance to award. On occasion, the Council also might receive restricted contributions from the general public to help fund this program. During the year, the Council received \$587 of contributions from WST and expended \$89 to help with utility assistance.

### **Senior Citizen Activities**

The Council operates senior centers in Angie, Bogalusa, Franklinton, and Pine. Various recreational activities, such as bingo, crafts, games, and exercise programs, are held at each center before and after lunch. These activities help encourage and promote participation in the other programs and services offered by the Council. In addition, 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, coffee and soft drink sales. The revenues and related expenditures for each senior center's activities are considered restricted for use and are maintained in separate accounts within the Council's general ledger.

### **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, which are designed to primarily account for Title III grants. These grants originate at the federal level and are issued to the State of Louisiana's Governor's Office of Elderly Affairs (GOEA). GOEA matches a portion of the federal grant with state funds and then passes the grant funds through to the local level. Capital Area Agency on Aging (CAAA) manages the Title III grants for GOEA at the local level and awards the grant funds to the Council on Aging based on the number of units of service it provides in various programs.

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 that are used to provide various units 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:

<b>Type of Service Provided</b>	<b>Primary Grant Units</b>	<b>ARP Grant Units</b>	<b>Total Units</b>
Homemaker	3,591	0	3,591
Information & Assistance	1,241	0	1,241
Material Aid	0	1,439	1,439
Medical Alert	95	9	104
Outreach	418	0	418
Telephoning	2,081	0	2,081
Transportation for people age 60 or older	6,868	0	6,868

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

- A primary grant provided by GOEA which is then passed through CAAA to the Council for *Special Programs for the Aging – Title III, Part B– Grants for Supportive Services and Senior Centers* (\$82,643).
- CAAA also provided \$32,730 in American Rescue Plan (ARP) grant funds to supplement the primary grant. ARP grant funds are new this year.
- A grant from the Louisiana Department of Transportation and Development (DOTD) which is passed through the Washington Parish Government to the Council for rural transportation services. This grant is commonly referred to as *Section 5311* and reimburses the Council a portion of the cost of providing rural transportation services. A portion of this grant (about 85.26%) was used to pay for the rural transportation costs for elderly riders and that amount (\$443,077) has been recorded directly as revenue in this fund.
- Restricted, voluntary public support (\$1,375) from persons who received homemaker and transportation services under this program.

### **Title III C-1 Fund**

The Title III C-1 Fund is used to account for funds that are used to provide nutritional, congregate meals to people age 60 or older in strategically located centers throughout Washington Parish. The Council maintains meal-sites in Angie, Franklinton, Pine, and Bogalusa. During the year the Council reported that it provided 21,690 primary grant meals, 1,246 ARP grant meals, and 223 units of nutrition education to people eligible to participate in this program.

The sources of revenue received this year that form the basis of this fund are as follows:

- A primary grant provided by GOEA which is then passed through CAAA to the Council for *Special Programs for the Aging – Title III, Part C-1 – Nutrition Services* (\$17,521).
- CAAA also provided \$6,904 of ARP grant funds to supplement the primary grant. ARP grant funds are new this year.
- Restricted, voluntary public support (\$15,410) from those persons who received congregate meals.

### **Title III C-2 Fund**

The Title III C-2 Fund is used to account 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 46,615 primary grant and 4,162 ARP grant home-delivered meals along with 269 units of nutrition education to people eligible to participate in this program.

The sources of revenue received this year that form the basis of this fund are as follows:

- A primary grant provided by GOEA which is then passed through CAAA to the Council for *Special Programs for the Aging – Title III, Part C-2 – Nutrition Services* (\$45,090).
- CAAA also provided \$18,729 in ARP grant funds to supplement its primary grant. ARP grant funds are new this year.
- A grant from United Way/FEMA to help pay for home-delivered meals (\$10,427).
- Restricted, voluntary public support (\$2,588) from those persons who received home-delivered meals.
- Restricted, voluntary public support (\$2,500) from a local business to pay for home-delivered meals due to the COVID-19 pandemic.

### **Title III E Fund**

The Title III E Fund is used to account for funds relating to the National Family Caregiver Support program, which is designed to provide multifaceted systems of support services for family caregivers and for grandparents or older individuals who are related caregivers. During the year, the Council reported to CAAA that it provided 14 units of information and assistance (all primary grant), 91 units of material aid (all ARP grant), and 15,394 (13,961 primary grant and 1,433 ARP grant) units of in-home respite under this program. The primary source of the revenue forming the basis for this fund is a grant (\$82,762) the Council received from GOEA which was passed through CAAA to the Council for the *Title III, Part E National Family Caregivers Support*



*Program.* The Council also received \$30,933 of ARP funds from CAAA to supplement its primary grant.

#### **Nonmajor Governmental Funds:**

The Council did not have any nonmajor governmental funds this year to present in the financial statements.

#### **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 a loan or transfer. 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 carrying value, which approximates its fair value.

For the purposes of the Statement of Net Position, restricted cash is an amount 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 \$12,333 of restricted cash. The Council has presented restricted cash as a component of current assets in the Statement of Net Position because it is available for use in current operations.

**g. Receivables**

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

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



#### **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 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 own any investments of this type at year-end.

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 own any investments of this type at year-end.

However, the Council invested funds in the Louisiana Asset Management Pool (LAMP). LAMP is a local government 2a7-like investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. A 2a7-like pool is an external investment pool that is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940. However, LAMP, Inc. is subject to regulatory oversight by the state treasurer and its board of directors. For financial statement purposes, LAMP investments are valued and reported at fair value based on quoted market rates. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares sold and redeemed, investments are valued at amortized cost. LAMP seeks to maintain a stable net asset value of \$1.00 per unit, but there are no assurances that LAMP will be able to always achieve this objective. Because of its liquidity, the balance in the LAMP account is classified as a current asset on the Statement of Net 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 will be 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 that have been purchased or acquired with an original cost of at least \$1,000 and that have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the government-wide Statement of Net 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:

Equipment- other than computers	6 to 10 years
Vehicles	5 years
Computer equipment	5 years
Building and improvements	40 years
Nutrition equipment	10 years

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

### **Fund Financial Statements**

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

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

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

#### **l. Unpaid Compensated Absences**

The Council's annual leave policy requires employees to consume any annual leave they might earn within the Council's fiscal year. In other words, an employee must *use or lose* any earned leave on or before June 30<sup>th</sup> of every year. However, sick leave is treated differently. An employee can carryover up to 480 hours (60 days) of unused sick leave each year; however, the Council does not permit an employee to get paid for any unused sick leave upon termination. As a result of these policies, the Council

has not accrued a liability for any type of unused leave in the financial statements. The Council's management has established its leave policies in this manner to minimize the Council's exposure to a future liability for which the Council may not have the funds to pay.

**m. Deferred Property Tax Revenue**

Deferred property tax revenue represents taxes expected to be collected but not within 60 days after the end of the Council's fiscal year for which the taxes were levied. Deferred property tax revenues are reported on the Balance Sheet of the fund financial statements, but not on the Statement of Net Position, because the related revenues are recognized in the Statement of Activities using the full accrual basis of accounting. In subsequent periods when the deferred property tax revenues are collected, the deferral is removed from the Balance Sheet of the fund financial statements and revenues are recognized. The Council did not present any amount this year as deferred property tax revenue because management believes that the amount of property tax revenue that will be collected after August 31, 2022 for the 2021 property tax assessment will be immaterial.

**n. 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 a funding agency are recorded as a liability when the amount due becomes known, normally when a final accounting is submitted to the funding agency. At year-end the Council had \$7,695 of EFSP grant funds which are presented as advances from funding agencies. The Council expects to consume the advances next year by purchasing home-delivered meals.

**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 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 legislations.
- *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 they 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 had no 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 a specific purpose in accordance with the provisions of GASB Statement 54. 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 U.S. 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 that is 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 generally recorded as revenue in the period received.



### **Note 3 - Revenue Recognition - Property Tax**

During fiscal year 2009, the Council began receiving funds from a property tax that was adopted by the voters of Washington Parish on November 14, 2007, to specifically provide money to finance the Council's operations. The Washington Parish Assessor began assessing the property tax in 2008 and will continue to do so every year because the tax is perpetual and has no expiration date. The tax is based upon the assessed (appraised) value, less homestead exemptions, on all real and business personal property located within the Parish. The 1st day of January is used as the date to value the property subject to tax and make the annual assessment.

The gross assessed value as of January 1, 2021, of the certified roll was \$278,491,834. After applying homestead exemptions of \$61,516,337 the net assessed value upon which the Council's property tax was computed was \$216,975,497. These assessed values have been computed after property tax abatements. Tax abatements are widely used by state and local governments to primarily encourage economic development. For financial reporting purposes, a tax abatement occurs when there is an agreement between a government and an individual or entity in which the government agrees to forgo tax revenues and the individual or entity promises to subsequently take a specific action that will contribute to economic development or benefits the government or its citizens. This year the Washington Parish Government (WPG) entered into various property tax abatements which resulted in the Council receiving \$102,336 less in property tax revenues than if the abatements did not exist.

The maximum amount the Council may legally elect to assess property owners each year is 2.80 mills. The Council's management elected to have the Parish assess the full 2.80 mills for tax year 2021. Accordingly, management estimated the initial gross amount of property tax owed to the Council for this fiscal year to be approximately \$607,532. However, the original amount of property tax revenue was later adjusted to \$603,647 by the Sheriff's office to reflect supplements, reductions, and additional adjudicated/exempt taxes. In addition, the Council collected \$1,687 of prior years' property taxes, previously written off, which resulted in total property tax revenue of \$605,334 being recognized this year's financial statements. The Council did not write-off any amount for uncollected property taxes this year.

Property taxes are levied in November and are considered delinquent if not paid by December 31. Most of the property taxes are collected during the months of December, January, and February. The Washington Parish Sheriff (Sheriff) acts as the collection agent for the Parish's property taxes. The Sheriff will have a *tax sale* each year to collect as much of the taxes due as possible. The tax sale date for Washington Parish for the 2021



tax assessment was May 25, 2022 and the tax liens were recorded June 6, 2022.

For the fund financial statements, property taxes are recorded as receivables and deferred revenues at the time the tax levy is billed (November of each year). As the Sheriff collects the taxes, he forwards them to the Council on Aging where they are recorded as revenues in accordance with the modified accrual basis of accounting. The Council also accrues as current year revenues any property taxes it receives within 60 days of year-end because it considers those amounts to be measurable and available. Accordingly, property tax collections during July and August 2022 were accrued as this year's revenues. The Council did not present any amounts this year as deferred property tax revenue because management deems this amount (\$662) to be immaterial.

For purposes of accruing property tax revenues in the government-wide financial statements, the Council follows the full accrual basis of accounting. This requires the Council to recognize property tax revenue based on the net assessed value provided by the Parish's assessor less any allowance for uncollectible amounts. Deferred property tax revenue is not recognized in the government-wide statements in contrast to the fund financial statements. If the fund financial statements do not present any amounts for deferred property tax revenues, then the amount of property tax revenues presented in the government-wide statements and the fund financial statements will be the same, which is the case this year.

Property tax revenues of \$605,334 on the fund financial Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit D) have not been reduced by \$20,208 withheld by the Sheriff for *on-behalf payments for fringe benefits*, which represent the Council's pro-rata share of pension plan contributions for other government agencies. Instead, the \$20,208 has been presented as an intergovernmental expenditure on Exhibit D. In contrast, for purposes of the government-wide Statement of Activities (Exhibit B), property tax revenues of \$605,334 were reduced by the \$20,208 of *on-behalf payments* to present a net amount of \$585,126 for general revenues. See Note 8 to these financial statements for more information.

#### **Note 4 - Cash Management, Bank Deposits and Investments**

The Council maintains a consolidated bank account at Hancock Whitney Bank to deposit most of the funds it receives and to pay its bills. The consolidated bank account is available for use by all funds and serves 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. A second checking account is maintained to account for Emergency Food and Shelter Program



(EFSP) 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. Accordingly, the Council's management obtains collateralization for deposits at financial institutions that exceed FDIC insurance.

At June 30, the carrying value of the Council's cash accounts was \$314,298 and the corresponding bank balances totaled \$337,008. The current FDIC coverage is \$250,000 per bank, therefore, \$87,008 of the Council's bank balances were uninsured at year-end. However, the bank pledged securities that had a market value at June 30, 2022, of \$1,011,830 to cover the uninsured bank balances to comply with state law and the Council's policy. These securities are being held in a collateral account in the name of the Council at a Federal Reserve Bank.

During the year, the Council might accumulate cash in excess of its immediate needs. To maximize its revenues, the Council's management will invest the excess cash and it 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. At year-end, the Council's management had invested \$1,625,306 in a Louisiana Asset Management Pool (LAMP) account. This type of investment complies with state law and the Council's investment policy.

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

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

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



- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is generally restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM (to reset) for LAMP's total investments is 18 days and the WAM (to final) is 56 days as of June 30, 2022.
- Foreign currency risk: Not applicable to 2a7-like pools.

At June 30, 2022, the Council's cash and investments consisted of the following:

Cash & Investments	Cost	Fair Value	Interest Rate	Maturity	Credit Risk Category
Cash:					
Hancock Whitney Bank - operating	\$ 306,465	\$ 306,465	None	Demand	Category 1
Hancock Whitney Bank - EFSP	7,833	7,833	None	Demand	Category 1
Total Cash	314,298	314,298			
Investments:					
LAMP	1,625,306	1,625,306	0.50%	Demand	N/A
Total Investments	1,625,306	1,625,306			
Total Cash & Investments	\$ 1,939,604	\$ 1,939,604			
Unrestricted Purpose	\$ 1,927,271				
Restricted Purpose:					
Senior Citizen Activities	2,759				
Utility Assistance	9,574				
Total Cash & Investments	\$ 1,939,604				

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 5 - Changes in Capital Assets and Accumulated Depreciation

A summary of changes in capital assets that are being depreciated and their related accumulated depreciation is as follows:

Capital Assets Being Depreciated	Balance June 30, 2021	Additions	Decreases	Balance June 30, 2022
Vehicles	\$ 45,566	\$ 0	\$ (3,000)	\$ 42,566
Equipment	45,973	2,337	(1,226)	47,084
Buildings & Improvements	193,368	0	0	193,368
Total Capital Assets	284,907	2,337	(4,226)	283,018
Less Accumulated Depreciation:				
Vehicles	45,566	0	(3,000)	42,566
Equipment	37,223	2,212	(1,226)	38,209
Buildings & Improvements	107,986	3,709	0	111,695
Total Accumulated Depreciation	190,775	5,921	(4,226)	192,470
Capital Assets Net of Depreciation	\$ 94,132	\$ (3,584)	\$ 0	\$ 90,548

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

The Council also owns land of \$9,000, which is not subject to depreciation, but is a component of capital assets.

Depreciation was charged to governmental activities as follows:

Administration	\$ 4,244
Supportive Services:	
Transportation of the Elderly	481
Nutrition Services:	
Congregate Meals	510
Transportation Services - Nonelderly	83
Direct offset against rental income	603
Total depreciation expense	<u>\$ 5,921</u>

The \$4,244 of depreciation associated with the administration function relates to capital assets that essentially serve all functions. Accordingly, it is included as a direct expense of the administration function on the Statement of Activities and then allocated to other functions in accordance with the Council's method of allocating indirect expenses. The



supportive, nutrition, and transportation service depreciation amounts are charged as direct expenses to their related programs on the Statement of Activities. Finally, the depreciation of \$603 related to the building that is being rented is offset against the rental income generated by the building, which is not a distinct program of the Council but merely an activity to generate general revenues.

#### **Note 6 – Prepaid Expenditures and Expenses**

At year-end, there were \$14,292 of prepaid expenditures related to training courses (\$1,760), insurance premiums (\$2,532), and a construction project deposit (\$10,000) presented in the Balance Sheet (Exhibit C).

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

	<b>Current Portion</b>	<b>Noncurrent Portion</b>
Prepaid training classes	\$ 1,760	\$ -
Deposit on construction project	10,000	-
Prepaid insurance premiums	2,532	-
Prepaid vehicle usage	4,806	-
Total prepaid expenses	<u>\$ 19,098</u>	<u>\$ -</u>

The current portion of prepaid expenses 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 that will be amortized in future years.

The difference, if any, between prepaid expenditures and prepaid expenses arises from transactions wherein the Council has put up (in previous years) *matching funds* under capital assistance grants the Washington Parish Government (WPG) entered into with the Louisiana Department of Transportation and Development (DOTD) to acquire vehicles. The vehicles are titled in the name of the WPG, but the Council uses the vehicles for its transportation programs and must pay for all the operating costs. The funds the Council expends as *matching funds* are first recorded as van deposits in its Fund Balance Sheet when the funds are remitted to DOTD. Upon delivery of the vehicles to the COA, the deposits are reversed as intergovernmental expenditures in the Council's fund financial statements. However, in the government-wide financial statements, the *matching funds* are classified as prepaid expenses and amortized over the estimated useful lives of the vehicles (100,000 miles – approximately 60 months). The Council's management believes presenting the matching transactions in this manner in the

government-wide financial statements best presents the economics of the transactions. The WPG and the Council have a written agreement that sets forth the responsibilities of the Council as a subrecipient of FTA/DOTD funds passed through the WPG to the Council relating to the rural transportation program and the use of the WPG's vehicles. This type of cooperative endeavor agreement has been used for many years to provide general public transportation in Washington Parish.

**Note 7 - Fund Balances - Fund Financial Statements**

At year-end, the General Fund has restricted funds for senior citizen activities (\$2,739) and utility assistance (\$9,574).

None of the special revenue funds had any fund balance at June 30, 2022. Typically, these fund balances are cleared at year-end to comply with the terms of the grants that provide money to these funds.

**Note 8 - On-Behalf Payments for Fringe Benefits**

Because the Council is one of many governmental agencies receiving proceeds from a property tax assessment, state law (RS 11:82) requires the Council to bear a pro-rata share of the pension expense relating to state and statewide public retirement systems. The Council's pro-rata share of the required contribution was \$20,208 that was withheld by the Sheriff's office from property tax collections to satisfy the Council's obligation. The Sheriff withholds the entire amount of this obligation from the first remittance it makes to the Council each year even though some of the property taxes may never be collected. None of the Council's employees participate in or benefit from any pension plan relating to this expenditure. The amount withheld by the Sheriff represents *intergovernmental* expenditures of the General Fund on Exhibit D.

The following list presents the retirement systems that were funded by the Council's property tax revenues in FY 2022:

Assessor's Retirement Fund	\$ 2,287
Clerks' of Court Retirement & Relief Fund	1,783
District Attorney's Retirement System	1,427
Municipal Employees' Retirement System	1,783
Parochial Employees' Retirement System	1,783
Registrar of Voters Employees' Retirement System	446
Sheriffs' Pension & Relief Fund	3,566
Teachers' Retirement System	7,133
	<u>\$ 20,208</u>



## Note 9 - 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 Council received an in-kind contribution in the form of free use of the meal site at Pine. Several years ago, the donor estimated the value of the free use of this site to be \$250 per month and the Council has continued to use this value each year. If this in-kind contribution had been recorded in the Statement of Activities its annual allocation would have been \$3,000 for Nutrition Services – Congregate Meals. The Council also received an in-kind contribution in the form of free rent and utilities at its Bogalusa senior center from the City of Bogalusa. In a letter dated July 1, 2005 the City's mayor valued these free services at \$1,500 per month. In addition, the City permits the Council to house its vans on the premises and the mayor also estimated the value of the *garage fee* to be \$350 per month. The Bogalusa senior center is the main location from which the Council operates its transportation programs. Accordingly, \$1,850 per month (\$22,200 annually) of in-kind donations from the City has been attributed to the Council's transportation programs since July 1, 2005.

The Council also receives in-kind support for its transportation programs in the form of free usage of vehicles owned by another governmental entity (either the Town of Franklinton or the Washington Parish Government). The vehicles owned by the other governmental entities were all acquired under capital assistance grants wherein the federal government paid for 80% to 100% of the vehicle's cost and the remainder, if any, had to be paid for by the Council with local *matching* funds. In return for putting up the matching funds, the other entities permit the Council to use the vehicles. Therefore, the Council is receiving an in-kind contribution from the other governmental entities represented by a portion of the cost of the vehicles paid directly by the federal government. Management has estimated the in-kind use of the other governmental entities' vehicles to be \$58,345 for the fiscal year. The estimate was derived by first determining the amount the federal government paid for its share of the cost for the vehicles. Then, the amount of *federal match* for each vehicle was amortized from the date at which the Council began using each vehicle using a 5 year (approximately 100,000 miles) estimated useful life. The amount for the period July 1, 2021, through June 30, 2022,



was deemed to be the value of the in-kind contribution for vehicle usage. If the in-kind contribution for the vehicles had been recorded in the Statement of Activities, the allocation of the value of the contribution amongst the Council's transportation programs would have been \$50,054 for Elderly Transportation and \$8,291 for Nonelderly Transportation.

**Note 10 - Board of Directors' Compensation**

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

**Note 11 - 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 12 - Judgments, Claims, and Similar Contingencies**

As of June 30, 2022, 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 significant 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**

One of the Council's largest sources of revenue is from a property tax, which it began to receive in FY 2009. If the property in Washington Parish were to be assessed at lower values due to natural disaster or another unpredictable event, the amount of property tax revenue that the Council receives could be adversely affected. Management is not aware of any actions or events that will adversely affect next year's property tax revenue.

The Council also receives significant intergovernmental revenue directly from GOEA, indirectly from grants administered by CAAA on behalf of GOEA, and indirectly from the Louisiana Department of Transportation and Development (DOTD). The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts or changes to the formulas for awarding funds 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 budget cuts or formula changes that would adversely impact the usual amount the Council receives from its grants for next year.

#### **Note 15 - Risk Management**

The Council is exposed to various risks of loss related to torts; general liability; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; business interruption; terrorism; and certain natural disasters. The Council has purchased commercial insurance with various deductibles 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 to evaluate the likelihood of certain events occurring and weigh the costs versus the benefits of insuring against losses from those events. As a result, management has not purchased commercial insurance or made provision to cover or reduce the risk of loss as a result of certain acts of God and virus pandemics.



#### **Note 16 - Deferred Compensation Plan**

The Council and its qualified employees participate in the State of Louisiana's Public Employees Deferred Compensation Plan (the Plan), which is a nonqualified deferred compensation plan created in accordance with Internal Revenue Code Section 457. Empower Retirement, LLC administers the plan. The Plan is available to all employees who have worked at least six months. The Plan permits participating employees to defer up to the lesser of (1) 100% of their compensation or (2) \$19,500 (\$26,000 if over 50 years of age) per year. In addition, the Council will *match* one-half of any percentage less than or equal to 6% of a participant's deferral amount. All amounts contributed to the Plan by the employees and the Council are non-forfeitable thereby making them 100% vested to the employees. During this year, \$6,456 was contributed to the Plan via employee salary deferrals. The Council contributed \$3,131 as its matching share. The Plan does not meet the definition of a fiduciary fund; accordingly, the Council has not reported any amounts in these financial statements. Participation in the deferred compensation plan is at the option of each employee. The Council does not guarantee the benefits of any amounts contributed to the plan.

#### **Note 17 - Lease Commitments**

On June 5, 2003 the Council entered into a joint endeavor agreement with the City of Bogalusa (the City) wherein the Council will lease (at a rate of \$1 per year) from the City a building known as the Bogalusa Senior Center. The initial period of the lease was for 5 years and renews automatically at the end of each five-year period. Terms of the lease require the Council to (1) pay for all the utilities of operating the building, (2) pay for repairs that cost less than \$301, (3) be responsible for the daily maintenance and cleaning, and (4) furnish property and liability insurance coverage for the building and the Council's personal property contained therein. However, beginning in October 2004, the City relieved the Council of paying for the monthly utilities for this location and began paying them on behalf of the Council. Furthermore, beginning July 1, 2005 the City eliminated the \$1 annual rent payment. See Note 9 (In-kind Contributions) in this report for additional information about the arrangement the Council has with the City relating to this facility.

The Council also leases its telephone systems in Bogalusa and Franklinton. The Bogalusa lease was signed on June 22, 2021 and requires the Council to pay \$214.86 per month for 60 months beginning in July 2021. The Franklinton lease was signed on December 3, 2020 and requires the Council to pay \$196.06 per month for 60 months beginning in January 2021. Under both leases the Council is required to maintain property insurance coverage on the equipment and pay any required property taxes that might be charged on the equipment. At the end of the lease terms, the Council has the option of purchasing the



equipment at the fair market value or returning the equipment. Management is unsure which option it will exercise at this time, but will likely return the equipment. During fiscal year 2022, the Council paid \$4,735 in monthly rent charges under these leases.

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

<u>Fiscal Year</u>	<u>Amount</u>
2023	4,931
2024	4,931
2025	4,931
2026	3,755
Total minimum future lease payments	<u>\$ 18,548</u>

#### **Note 18 - 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	\$ 69,433	\$ 0
Title III E	61,205	0
Totals for the General Fund	<u>130,638</u>	<u>0</u>
Special Revenue Funds:		
Major Funds:		
Title III B:		
General Fund	0	69,433
Title III E:		
General Fund	0	61,205
Totals for Special Revenue Funds	<u>0</u>	<u>130,638</u>
Totals for All Funds	<u>\$ 130,638</u>	<u>\$ 130,638</u>

#### **Note 19 - COVID-19 Pandemic**

On March 11, 2020, the World Health Organization declared the novel 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, program services and operations have not returned to pre-Pandemic levels. In addition, because the virus has not been fully controlled, the future impact to the Council is unknown.

**Note 20 - Related Party Transactions**

There were no related party transactions during the fiscal year.

**Note 21 - Purchase Commitments**

The Council had no deposits for vehicles to be purchased under a federal public transportation capital assistance program for elderly and disabled persons at June 30, 2022.



## Note 22 - Interfund Transfers

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

	Operating Transfers	
	In From	Out To
<b>General Fund:</b>		
Title III B Fund	\$ 0	\$ 152,127
Title III C-1 Fund	0	111,067
Title III C-2 Fund	0	88,680
Title III E Fund	0	54,841
Total General Fund	0	406,715
<b>Title III B-Fund:</b>		
General Fund - Various Local Funds	\$ 52,127	\$ 0
General Fund - PCOA Grant	100,000	0
Total Title III B Fund	152,127	0
<b>Title III C-1 Fund:</b>		
General Fund - Various Local Funds	\$ 40,049	\$ 0
General Fund - Senior Center Grant - primary	60,105	0
General Fund - Suppl. Senior Center Grant #1	3,100	0
General Fund - Suppl. Senior Center Grant #2	7,813	0
Total Title III C-1 Fund	111,067	0
<b>Title III C-2 Fund:</b>		
General Fund - Various Local Funds	\$ 88,680	\$ 0
Total Title III C-2 Fund	88,680	0
<b>Title III E Fund:</b>		
General Fund	\$ 54,841	\$ 0
Total for Title III E Fund	54,841	0
Grand Totals	\$ 406,715	\$ 406,715

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

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

## Note 23 - Subsequent Events

Management has evaluated subsequent events through December 14, 2022, which is the date the financial statements were available to be issued. There were no events that required disclosure.

**REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION BY GASB 34**



# Budgetary Comparison Schedule - General Fund

## Washington Council on the Aging, Inc.

Bogalusa, Louisiana

For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final (Amended)	Modified Accrual Basis	Favorable (Unfavorable)
<b>REVENUES</b>				
Property Taxes	\$ 592,587	\$ 607,352	\$ 605,334	\$ (2,018)
Intergovernmental:				
Governor's Office of Elderly Affairs:				
PCOA	100,000	100,000	100,000	0
Senior Center - primary grant	60,105	60,105	60,105	0
Supplemental Senior Center #1	3,100	3,100	3,100	0
Supplemental Senior Center #2	7,812	7,812	7,812	0
Washington Parish Government	58,485	92,200	83,137	(9,063)
Public Support - restricted		2,733	7,355	4,622
Public Support - unrestricted	4,353	0	350	350
Program Service Fees - transportation services	1,515	0	6,698	6,698
Interest Income		1,500	4,074	2,574
Building Rent	6,000	6,000	6,000	0
Miscellaneous	0	353	420	67
Total Revenues	833,957	881,155	884,385	3,230
<b>EXPENDITURES</b>				
Current:				
Personnel	37,911	62,710	54,959	7,751
Fringe	3,850	5,261	5,456	(195)
Travel	309	909	1,064	(155)
Operating Services	9,921	24,143	19,912	4,231
Operating Supplies	7,994	8,243	8,926	(683)
Other Costs	12,314	14,089	18,033	(3,944)
Meals	0	0	0	0
Utility Assistance	0	152	89	63
Capital Outlay	50,000	2,337	2,337	0
Intergovernmental	17,490	20,208	20,208	0
Total Expenditures	139,789	138,052	130,984	7,068
Excess of revenues over expenditures	694,168	743,103	753,401	10,298
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from insurance	0	11,779	11,779	0
Proceeds from sale of vehicle	0	1,500	1,500	0
Transfers in	0	0	0	0
Transfers out	(411,268)	(347,094)	(406,715)	(59,621)
Total other financing sources (uses)	(411,268)	(333,815)	(393,436)	(59,621)
Net increase (decrease) in fund balance	\$ 282,900	\$ 409,288	359,965	\$ (49,323)
<b>FUND BALANCE</b>				
Beginning of year			1,714,736	
End of year			\$ 2,074,701	

See notes to required supplementary information.

# Budgetary Comparison Schedule - Title III B Fund

## Washington Council on the Aging, Inc. Bogalusa, Louisiana For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final (Amended)	Modified Accrual Basis	Favorable (Unfavorable)
<b>REVENUES</b>				
Intergovernmental:				
Capital Area Agency on Aging - Primary Grant	\$ 82,643	\$ 82,643	\$ 82,643	\$ 0
Capital Area Agency on Aging - ARP Grant	0	33,074	32,730	(344)
Washington Parish Government	495,715	462,000	443,077	(18,923)
Public Support - restricted (client contributions)	2,175	0	1,375	1,375
Total Revenues	580,533	577,717	559,825	(17,892)
<b>EXPENDITURES</b>				
Current:				
Personnel	490,075	426,999	432,084	(5,085)
Fringe	49,620	35,825	43,430	(7,605)
Travel	9,338	7,325	7,468	(143)
Operating Services	102,172	111,112	95,408	15,704
Operating Supplies	49,621	70,963	50,561	20,402
Other Costs	57,633	60,187	56,813	3,374
Full Service	2,694	0	26,188	(26,188)
Capital Outlay	0	0	0	0
Total Expenditures	761,153	712,411	711,952	459
Excess of expenditures over revenues	(180,620)	(134,694)	(152,127)	(17,433)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	180,620	134,694	152,127	17,433
Transfers out	0	0	0	0
Total other financing sources (uses)	180,620	134,694	152,127	17,433
Net increase (decrease) in fund balance	\$ 0	\$ 0	0	\$ 0
<b>FUND BALANCE</b>				
Beginning of year			0	
End of year			\$ 0	

See notes to required supplementary information



# Budgetary Comparison Schedule - Title III C-1 Fund

Washington Council on the Aging, Inc.

Bogalusa, Louisiana

For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final (Amended)	Modified Accrual Basis	Favorable (Unfavorable)
<b>REVENUES</b>				
Intergovernmental:				
Capital Area Agency on Aging - Primary Grant	\$ 17,521	\$ 17,521	\$ 17,521	\$ 0
Capital Area Agency on Aging - ARP Grant	0	9,931	6,904	(3,027)
Public Support - restricted (client contributions)	19,160	14,000	15,410	1,410
Miscellaneous	0	0	15	15
Total Revenues	36,681	41,452	39,850	(1,602)
<b>EXPENDITURES</b>				
Current:				
Personnel	100,406	89,710	92,873	(3,163)
Fringe	10,344	7,527	9,717	(2,190)
Travel	62	73	1,090	(1,017)
Operating Services	8,144	16,522	20,351	(3,829)
Operating Supplies	2,274	8,454	4,643	3,811
Other Costs	8,929	7,731	10,720	(2,989)
Meals	0	11,917	1,539	10,378
Full Service - meals vouchers	0	9,931	9,984	(53)
Capital Outlay	0	0	0	0
Total Expenditures	130,159	151,865	150,917	948
Excess of expenditures over revenues	(93,478)	(110,413)	(111,067)	(654)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	93,478	110,413	111,067	654
Transfers out	0	0	0	0
Total other financing sources (uses)	93,478	110,413	111,067	654
Net increase (decrease) in fund balance	\$ 0	\$ 0	0	\$ 0
<b>FUND BALANCE</b>				
Beginning of year			0	
End of year			\$ 0	

See notes to required supplementary information

# Budgetary Comparison Schedule - Title III C-2 Fund

Washington Council on the Aging, Inc.

Bogalusa, Louisiana

For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final (Amended)	Modified Accrual Basis	Favorable (Unfavorable)
<b>REVENUES</b>				
Intergovernmental:				
Capital Area Agency on Aging - Primary Grant	\$ 45,090	\$ 45,090	\$ 45,090	\$ 0
Capital Area Agency on Aging - ARP Grant	0	48,774	18,729	(30,045)
United Way of America	16,673	25,818	10,427	(15,391)
Public Support - restricted:				
Client contributions	5,602	2,500	2,588	88
Local business donation	0	2,500	2,500	0
Total Revenues	67,365	124,682	79,334	(45,348)
<b>EXPENDITURES</b>				
Current:				
Personnel	64,340	61,383	64,318	(2,935)
Fringe	7,107	5,150	6,776	(1,626)
Travel	49	147	73	74
Operating Services	17,988	17,281	17,569	(288)
Operating Supplies	7,326	9,111	10,269	(1,158)
Other Costs	7,345	5,995	7,965	(1,970)
Meals	100,042	90,613	61,044	29,569
Capital Outlay	0	0	0	0
Total Expenditures	204,197	189,680	168,014	21,666
Excess of expenditures over revenues	(136,832)	(64,998)	(88,680)	(23,682)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	136,832	64,998	88,680	23,682
Transfers out	0	0	0	0
Total other financing sources (uses)	136,832	64,998	88,680	23,682
Net increase (decrease) in fund balance	\$ 0	\$ 0	0	\$ 0
<b>FUND BALANCE</b>				
Beginning of year			0	
End of year			\$ 0	

See notes to required supplementary information



# Budgetary Comparison Schedule - Title III E Fund

Washington Council on the Aging, Inc.

Bogalusa, Louisiana

For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final (Amended)	Modified Accrual Basis	Favorable (Unfavorable)
<b>REVENUES</b>				
Intergovernmental:				
Capital Area Agency on Aging - Primary Grant	\$ 37,349	\$ 37,349	\$ 82,762	\$ 45,413
Capital Area Agency on Aging - ARP Grant	0	31,158	30,933	(225)
Total Revenues	37,349	68,507	113,695	45,188
<b>EXPENDITURES</b>				
Current:				
Personnel	1,485	0	81	(81)
Fringe	150	0	8	(8)
Travel	201	0	0	0
Operating Services	134	0	0	0
Operating Supplies	21	0	0	0
Other Costs	147	0	2,487	(2,487)
Full Service	35,549	105,496	165,960	(60,464)
Capital Outlay	0	0	0	0
Total Expenditures	37,687	105,496	168,536	(63,040)
Excess of revenues over (under) expenditures	(338)	(36,989)	(54,841)	(17,852)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	338	36,989	54,841	17,852
Transfers out	0	0	0	0
Total other financing sources (uses)	338	36,989	54,841	17,852
Net increase (decrease) in fund balance	\$ 0	\$ 0	0	\$ 0
<b>FUND BALANCE</b>				
Beginning of year			0	
End of year			\$ 0	

See notes to required supplementary information

## 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 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.
- Management makes projections of property tax revenues based on past trends and data available at the Parish Assessor's office to form expectations of future revenues.
- 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 board meeting generally held before the end of the current fiscal year. The original budget for FY 2022 was approved by the board on June 22, 2021.
- The adopted budget is forwarded to CAAA for compliance approval for the funds that agency 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 re-budget funds in the next fiscal year to complete the grant or contract. An example



## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - Continued

where this might occur is when vehicles are acquired under federal matching programs. 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. During the year management amended the budget once. The Council's Board of Directors approved the budget amendment for FY 2022 at a regular board meeting on May 27, 2022. The budget amendment was sent to CAAA for compliance approval and were subsequently approved.
- 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 the Governor's Office of Elderly Affairs 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.

## **SUPPLEMENTARY FINANCIAL INFORMATION FOR GOEA ANALYSIS**



**Comparative Schedule of Capital Assets and  
Changes in Capital Assets**

**Washington Council on the Aging, Inc.  
Bogalusa, Louisiana  
For the year ended June 30, 2022**

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
<b><u>Capital Assets</u></b>				
Vehicles	\$ 45,566	\$ 0	\$ (3,000)	\$ 42,566
Equipment	45,973	2,337	(1,226)	47,084
Buildings & improvements	193,368	0	0	193,368
Land	9,000	0	0	9,000
Total capital assets	<u>\$ 293,907</u>	<u>\$ 2,337</u>	<u>\$ (4,226)</u>	<u>\$ 292,018</u>
<b><u>Investment in Capital Assets</u></b>				
Property acquired with funds from -				
Title III B	\$ 1,655	\$ 0	\$ 0	\$ 1,655
Title III C-1	3,882	0	0	3,882
Title III C-2	1,098	0	0	1,098
Title III D	9	0	0	9
PCOA	61,595	0	(1,226)	60,369
Senior Center	840	0	0	840
Local	176,828	2,337	0	179,165
Donated by Other COAs	3,000	0	(3,000)	0
Acquired before 1985	45,000	0	0	45,000
Total investment in capital assets	<u>\$ 293,907</u>	<u>\$ 2,337</u>	<u>\$ (4,226)</u>	<u>\$ 292,018</u>

See independent auditor's report

**SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY LOUISIANA LAW**



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

Washington Council on the Aging, Inc.  
Bogalusa, Louisiana  
For the year ended June 30, 2022

Executive Director's (Agency Head) Name:

Purpose
---------

Salary  
Benefits-insurance (health and life)  
Benefits-retirement  
Benefits-other (describe) - FICA, LUTA, WORKER'S COMP  
Travel  
Other Expense Reimbursements  
Conferences and Training  
Total

Leona Magee		Nancy McBeth	
Amount		Amount	
\$	26,438.94	\$	38,860.12
	0		0
	793.15		141.83
	2,701.20		3,074.87
	875.54		44.80
	161.00		0
	352.90		0
\$	31,322.73	\$	42,121.62

Note: Nancy McBeth was the COA's director through Dec 16, 2021. Then, Leona Magee took over as the COA's director. The information above reflects the payments for each director during the time that person was director.

**SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY UNIFORM GUIDANCE**



## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Washington Council on the Aging, Inc.  
Franklinton, Louisiana

For the year ended June 30, 2022

FEDERAL GRANTOR/PASS-THROUGH GRANTORS/ PROGRAM OR CLUSTER TITLE	FEDERAL ASSISTANCE LISTING NUMBER	GRANT YEAR ENDED	PROGRAM OR AWARD AMOUNT	FEDERAL REVENUE RECOGNIZED	FEDERAL EXPENDITURES
<b>Federal Emergency Management Agency</b>					
Passed through the United Way of America:					
Emergency Food & Shelter National Board Program (37-3708-00)	97.024	10/31/21	\$ 5,201	\$ 2,601	\$ 2,601
Emergency Food & Shelter National Board Program (CARES-3708-00)	97.024	10/31/21	7,292	3,646	3,646
Emergency Food & Shelter National Board Program (ARPAR-3708-00)	97.024	04/30/23	11,238	0	0
Emergency Food & Shelter National Board Program (38-3708-00)	97.024	10/31/21	4,179	4,179	4,179
Emergency Food & Shelter National Board Program (39-3708-00)	97.024	04/30/23	4,153	0	0
Subtotal CFDA #97.024			32,063	10,426	10,426
Totals for The Federal Emergency Management Agency			32,063	10,426	10,426
<b>U.S. Department of Health and Human Services</b>					
<b>Administration on Aging</b>					
Passed through the Governor's Office of Elderly Affairs:					
Passed Through the Capital Area Agency on Aging - District II, Inc.:					
Aging Cluster of Special Programs for the Aging :					
Title III, Part B - Grants for Supportive Services & Senior Centers	93.044	06/30/22	57,590	57,590	57,590
ARP Title III, Part B - Grants for Supportive Services & Senior Centers	93.044	06/30/22	28,113	27,821	27,821
Title III, Part C-1 - Nutrition Services - Congregate Meals	93.045	06/30/22	14,893	14,893	14,893
ARP Title III, Part C-1 - Nutrition Services - Congregate Meals	93.045	06/30/22	8,441	5,868	5,868
Title III, Part C-2 - Nutrition Services - Home Delivered Meals	93.045	06/30/22	21,911	21,911	21,911
ARP Title III, Part C-2 - Nutrition Services - Home Delivered Meals	93.045	06/30/22	41,458	15,920	15,920
Total of Aging Cluster (CFDAs 93.044 & 93.045)			172,406	144,003	144,003
Special Programs for the Aging:					
Title III, Part E - National Family Caregiver Support	93.052	06/30/22	62,072	62,072	62,072
ARP Title III, Part E - National Family Caregiver Support	93.052	06/30/22	23,368	23,200	23,200
Totals for U.S. Department of Health & Human Services - Administration on Aging			257,846	229,275	229,275
Totals for U.S. Department of Health & Human Services			257,846	229,275	229,275
<b>Department of Transportation - Federal Transit Administration</b>					
Passed through the Louisiana Department of Transportation and Development:					
Passed through the Washington Parish Government:					
Formula Grants for Rural Areas (State Project # 18-59-22)	20.509	06/30/22	550,000	519,678	519,678
Totals for U.S. Department of Transportation			550,000	519,678	519,678
Total federal grants			\$ 839,909	\$ 759,379	\$ 759,379

Note A - Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Washington Council on the Aging, Inc. and has been prepared using the modified accrual basis of accounting as contemplated under generally accepted accounting principles and which is the same basis of accounting used for presenting the general-purpose financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the general-purpose financial statements.

Note B - The Washington Council on the Aging, Inc. did not pass-through any of its federal awards to a subrecipient during the fiscal year.

Note C - No federal awards were expended in the form of non-cash assistance during the fiscal year.

Note D - The Washington Council on Aging did not elect to use the 10% de minimis cost rate.

See Independent auditor's report.

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A PROFESSIONAL ACCOUNTING CORPORATION

**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**

To the Board of Directors,  
Washington Council on the Aging, Inc.  
Bogalusa, 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 Washington Council on the Aging, Inc., Bogalusa, Louisiana, (the Council) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated December 14, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Council'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 Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



financial reporting 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 or significant deficiencies may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Council'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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2022-01.

### ***Washington Council on the Aging, Inc.'s Response to Findings***

Government Auditing Standards requires the auditor to perform limited procedures on the Washington Council on the Aging, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Washington Council on the Aging, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Respectfully Submitted,

*Chris Johnson*

Hebert Johnson & Associates, Inc.  
A Professional Accounting Corporation  
Ponchatoula, Louisiana  
December 14, 2022

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A PROFESSIONAL ACCOUNTING CORPORATION

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY  
THE UNIFORM GUIDANCE**

To the Board of Directors,  
Washington Council on the Aging, Inc.  
Bogalusa, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of Washington Council on the Aging, Inc., Bogalusa, Louisiana, (the Council) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs for the year ended June 30, 2022. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Council's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Council's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Washington Council on the Aging, Inc., Bogalusa, Louisiana, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

### **Report on Internal Control Over Compliance**

Management of Washington Council on the Aging, Inc., Bogalusa, Louisiana, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Council's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Respectfully Submitted,

*Chris Johnson*

Hebert Johnson & Associates, Inc.  
A Professional Accounting Corporation  
Ponchatoula, Louisiana  
December 14, 2022



## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Washington Council on the Aging, Inc.

Bogalusa, Louisiana

For the year ended June 30, 2022

### 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? Yes

- C. Federal Awards:

Internal control over major programs:

- Material weaknesses identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

The programs tested as major programs are as follows:

U.S. Department of Transportation - Federal Transit Administration

Formula Grants for Other than Urbanized Areas; Assistance Listing Number 20.509.

The threshold for distinguishing Types A and B programs was \$750,000.

The Washington Council on the Aging, Inc. was determined not to be a low-risk auditee.

#### D. FINANCIAL STATEMENT FINDINGS

##### 2022-01 Sexual Harassment Training

**Criteria:**

LRS 42:343 requires public servants to receive a minimum of one hour of education and training preventing sexual harassment during each full calendar year of the public servant's term of office.

**Condition:**

The Council on Aging did not have documentation of the required sexual harassment training for board members or employees for the year ending June 30, 2022.

**Cause:**

The Council on Aging was not aware they needed to complete the required sexual harassment training.

**Effect:**

Noncompliance with the revised statute listed in the criteria.

**Recommendation:**

The Council on Aging should ensure all employees and board members complete the required training during each year. The Council on Aging should set a completion deadline for all board members and employees to complete the required training.

#### E. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings that are required to be reported in this section of the report.

#### F. Was a management letter issued for this year's audit? No



**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

**Washington Council on the Aging, Inc.**

**Bogalusa, Louisiana**

**For the year ended June 30, 2022**

**Financial Statement Findings**

The auditor did not report any financial statement findings in his audit of the Council's FY 2021 financial statements last year. Therefore, management has nothing to report in this section.

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

The auditor did not report any major federal award program findings in his audit of the Council's FY 2021 financial statements last year. Therefore, management has nothing to report in this section.

**Management Letter**

None was issued last year.

**MANAGEMENT'S CORRECTIVE ACTION PLAN**  
**Washington Council on the Aging, Inc.**  
**Bogalusa, Louisiana**  
**For the year ended June 30, 2022**

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

**Federal:** Department of Transportation – Federal Transit Administration

**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:** Hebert Johnson & Associates, CPA,  
18435 Hwy 22, Suite 2, Ponchatoula, LA 70454

**Audit period:** For the year ended June 30, 2022.

The findings from the June 30, 2022 schedule of findings and questioned costs are discussed below.

**FINANCIAL STATEMENT FINDINGS**

**2022-01 Sexual Harassment Training**

**Management's Response:**

The Council on Aging will have a trainer come out to the Senior Center in February so all employees and board members can complete the required training course.

If there are any questions, please call Leona Magee, the Council's Executive Director, at (985) 732-6869 or washcoa@bellsouth.net.



**WASHINGTON COUNCIL ON THE AGING, INC.**  
**BOGALUSA, LOUISIANA**

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**STATEWIDE AGREED-UPON PROCEDURES REPORT**

Fiscal Period July 1, 2021 through June 30, 2022



**Hebert Johnson  
& Associates, Inc.**  
Certified Public Accountants

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*A Professional Accounting Corporation*

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CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

ADAM C. HEBERT, CPA

MEMBER

American Institute of Certified Public Accountants  
Society of Louisiana Certified Public Accountants



**Hebert Johnson  
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A PROFESSIONAL ACCOUNTING CORPORATION

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INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Washington Council on the Aging, Inc.  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. Washington Council on the Aging, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Washington Council on the Aging, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving.
  - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the



completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*Exception: The Council had written procedures for all categories except Ethics and Information Technology Disaster Recovery/Business Continuity. The Council had procedures for Sexual Harassment but did not include annual employee training and reporting.*

*Management's Response: The Council will create written procedures for the Ethics and Information Technology Disaster Recovery/Business Continuity and all procedures regarding sexual harassment and training.*

### ***Board or Finance Committee***

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

*No exceptions were found as a result of these procedures.*

### ***Bank Reconciliations***

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3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*No exceptions were found as a result of these procedures.*



### *Collections (excluding electronic funds transfers)*

---

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - e) Trace the actual deposit per the bank statement to the general ledger.

*No exceptions were found as a result of these procedures.*

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

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
  - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*No exceptions were found as a result of these procedures.*

***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons



who maintained possession of the cards. Obtain management's representation that the listing is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

*No exceptions were found as a result of these procedures.*

#### **Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those

individuals participating) and other documentation required by written policy (procedure #1h).

- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*No exceptions were found as a result of these procedures.*

### **Contracts**

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

*No exceptions were found as a result of these procedures.*

### **Payroll and Personnel**

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16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning



leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
  - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

*No exceptions were found as a result of these procedures.*

### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

*No exceptions were found as a result of these procedures.*

### ***Debt Service***

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(The procedures are not applicable to the Council on the Aging)

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the

listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

### ***Fraud Notice***

---

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*No exceptions were found as a result of these procedures.*

### ***Information Technology Disaster Recovery/Business Continuity***

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25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
  - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
  - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

*We performed the procedure and discussed the results with management.*

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## ***Sexual Harassment***

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26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
  - a) Number and percentage of public servants in the agency who have completed the training requirements;
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints which resulted in a finding that sexual harassment occurred;
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e) Amount of time it took to resolve each complaint.

*Exception: The Council on the Aging did not have any public servants take the required sexual harassment training. The sexual harassment policy and complaint procedure has not been posted.*

*Management’s Response: The Council on the Aging will be having a trainer come out in February to train all public servants for sexual harassment. The policy and complaint procedures will also be posted on its website.*

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

We are required to be independent of Washington Council on the Aging, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

*Chris Johnson*

Hebert Johnson & Associates, Inc.  
A Professional Accounting Corporation  
Ponchatoula, Louisiana  
December 14, 2022