

WASHINGTON COUNCIL ON THE AGING, INC.
BOGALUSA, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024



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

A Professional Accounting Corporation

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Bogalusa, Louisiana
June 30, 2024**

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A P R O F E S S I O N A L A C C O U N T I N G C O R P O R A T I O N

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, 2024, 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Council, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Washington Council on the Aging Inc., Bogalusa, Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Council'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 17) and budgetary comparison information (pages 59 through 63) 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). 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 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, this other 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 November 22, 2024, 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
Albany, Louisiana
November 22, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Washington Council on the Aging, Inc.

June 30, 2024

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, 2024. 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 \$41,931, or about 2%.
- Net investment in capital assets of the Council increased by \$1,158,252.
- Administrative expenses increased this year by \$95,345, or about 32%.
- The unassigned fund balance for the Council's General Fund was \$834,199, at year-end, which is a \$955,231 or 52.9% decrease from the prior year.
- Fund revenues decreased by \$137,060, or about 8%.
- Fund expenditures increased by \$552,094, or about 27%.
- 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) 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 71 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 not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

BASIC FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The government-wide financial statements (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 19 and 20 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 had a profit in this program but that is not usually the case.

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 59 to 63). The schedules compare the original and final (if the original budget is amended) budgets to actual results for the Council's fiscal year. Positive and negative variances between the final budget and actual amounts are also presented.

Management's Discussion and Analysis (MD&A) is also required supplementary information by GASB Statement 34. However, GASB Statement 34 requires the MD&A be presented as the first item in this reporting package (after the independent auditor's opinion) and not with the other RSI, which is included later in this reporting package beginning on page 59.

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.

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

Condensed Statement of Net Position

	2024	2023	Increase (Decrease)	% Increase (Decrease)
Current and Other Assets:				
Current Assets	\$ 922,890	\$ 2,014,383	\$ (1,091,493)	-54.18%
Other Assets	0	0	-	0.00%
Capital Assets, net of depreciation	1,576,790	579,628	997,162	172.03%
Total Assets	<u>2,499,680</u>	<u>2,594,011</u>	<u>(94,331)</u>	-3.64%
Current Liabilities	69,697	205,959	(136,262)	-66.16%
Total Liabilities	<u>69,697</u>	<u>205,959</u>	<u>(136,262)</u>	-66.16%
Net Position:				
Net Investment in Capital Assets	1,576,790	418,538	1,158,252	276.74%
Restricted	18,994	15,737	3,257	20.70%
Unrestricted	834,199	1,953,777	(1,119,578)	-57.30%
Total Net Position	<u>\$ 2,429,983</u>	<u>\$ 2,388,052</u>	<u>\$ 41,931</u>	1.76%

As noted earlier, net position may serve over time as a useful indicator of the Council's financial position. As of June 30, 2024, and 2023, the Council *as a whole* had assets greater than its liabilities of \$2,429,983 and \$2,388,052, respectively. This \$41,931 increase from last year is a good indication that the Council's financial condition has improved. About 34% of the Council's total net position is *unrestricted* at year-end whereas it was about 82% 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. The main reason for the 57% decrease in the unrestricted net position this year is the significant increase in capital assets due to the Council constructing a new senior center.

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 65% of total net position at the end of 2024 compared to 17.5% at the end of 2023.

The table presented below illustrates a summarized or condensed presentation of the revenues and expenses that caused the change in net position for 2024 and 2023, respectively.

<u>REVENUES</u>	<u>2024</u>	<u>% of 2024 Total</u>	<u>2023</u>	<u>% of 2023 Total</u>	<u>Increase (Decrease)</u>
Program Revenues:					
Charges for Services	\$ 6,315	0.40%	\$ 5,535	0.33%	\$ 780
Operating Grants and Contributions	663,774	41.74%	849,351	50.84%	(185,577)
General Revenues:					
Property Taxes, net of withholding	661,570	41.60%	601,962	36.03%	59,608
Unrestricted Grants and Contributions	206,563	12.99%	205,365	12.29%	1,198
Other General Revenues	52,091	3.28%	67,097	4.02%	(15,006)
Loss on demolition of buildings	-	0.00%	(58,717)	-3.51%	58,717
Total Revenues	1,590,313	100.00%	1,670,593	100.00%	(80,280)
<u>EXPENSES</u>					
Supportive Services:					
Transportation of the elderly	505,895	32.67%	488,854	33.45%	17,041
Homemaker	67,192	4.34%	80,869	5.53%	(13,677)
Other supportive services	93,915	6.07%	78,623	5.38%	15,292
Transportation of the non-elderly	16,533	1.07%	11,222	0.77%	5,311
Nutrition Services:					
Congregate Meals	158,463	10.23%	142,328	9.74%	16,135
Home-delivered Meals	224,443	14.50%	253,400	17.34%	(28,957)
Family Caregiver Support	77,823	5.03%	95,614	6.54%	(17,791)
Other Senior Citizen Activities	9,143	0.59%	11,056	0.76%	(1,913)
Direct Administrative Expenses	394,975	25.51%	299,630	20.50%	95,345
Total Expenses	1,548,382	100.00%	1,461,596	100.00%	86,786
Increase (Decrease) in Net Position	41,931		208,997		\$ (167,066)
Net position, beginning of year	2,388,052		2,179,055		
Net position, end of year	\$ 2,429,983		\$ 2,388,052		

AN ANALYSIS OF GOVERNMENTAL ACTIVITIES

As illustrated by the table above, the largest source of revenues came from **operating grants and restricted contributions** (41.7%) and must be used specifically in the programs to which they relate. This source of revenue decreased by \$185,577 when compared to last year. The **property tax revenue** is the Council's second largest source of revenue (41.6%) and increased by \$59,608 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 13% of gross revenues and increased (\$1,198) 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's nonelderly public transportation program generated \$6,315 in program service fees this year. **Capital grants and contributions** had no activity this year or last year. **Other general revenues** decreased (\$15,006) this year mainly because interest income decreased by \$15,185 as a result of a decrease in the amount held in interest bearing accounts. **Loss on demolition of buildings** was a result of the demolition of two buildings for the purpose of clearing land to build a new senior center; the demolition was completed in FY 2023.

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.

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 2024, total administration expenses were \$394,975 or about 25% of total revenues, whereas these administration expenses were \$299,630

or about 18% of total revenues in 2023. 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 \$853,193, which is a decrease of \$955,231 when compared to last year. The \$955,231 decrease 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 \$834,199 and is available for spending at management's discretion. The remainder of the fund balance consists of \$18,994 of restricted resources; there are no nonspendable resources at year end. Nonspendable resources generally represent prepaid expenditures but the Council did not have any prepaid expenditures to report for FY 2024.

Revenues

The combined fund revenues decreased \$137,060 this year versus last year, as shown in the table below.

	% of 2024		% of 2023		Increase/(Decrease)	
	2024	Total	2023	Total	Amount	Percent
Intergovernmental	\$ 833,349	51.71%	\$ 1,010,777	57.81%	\$ (177,428)	-17.55%
Property Taxes	684,502	42.48%	622,758	35.62%	61,744	9.91%
Public Support	36,868	2.29%	43,826	2.51%	(6,958)	-15.88%
Program Service Fees	6,315	0.39%	5,535	0.32%	780	14.09%
Interest Income	50,106	3.11%	65,290	3.73%	(15,184)	-23.26%
Building Rent	100	0.01%	0	0.00%	100	#DIV/0!
Miscellaneous	205	0.01%	319	0.02%	(114)	-35.74%
Total Revenues	<u>\$ 1,611,445</u>	<u>100.00%</u>	<u>\$ 1,748,505</u>	<u>100.00%</u>	<u>\$ (137,060)</u>	<u>-7.84%</u>

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 \$177,428 net decrease in **intergovernmental revenue** was primarily due to the Council receiving (1) \$128,929 less from its rural transportation grant, (2) \$15,617 less in federally funded American Rescue Program (ARP) grants, and (3) \$21,450 less from the primary title III grant received from CAAA. The ARP grants were based on efforts by the federal government to assist agencies in dealing with the financial difficulties that arose during the virus pandemic.

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 22.1 million dollars, which produced \$61,531 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 2024. Prior year tax collections were only \$593. For 2023, the council collected \$380 of property taxes relating to past years, which is \$213 less than this year. As a result, when these two components are considered, property tax revenues for this year were \$61,744 more 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 decreased by \$6,958 overall. The main reason for the decrease is because the Council received a *one-time* donation from a local company of \$10,000 in 2023, which did not recur in 2024. In 2024 client contributions increased by \$3,379 because services continued to return to normal. 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 to nonelderly. Fees collected for this service were \$6,315 for 2024. Typically, the revenue for this category will fluctuate each year based on the demand from the public for transportation services.

Interest income decreased this year when compared to last year because the amounts being held in interest bearing accounts has decreased. The balance in the LAMP account decreased by 1,074,787 because the funds were spent to finish the new building which was finished in 2024.

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 \$552,094 this year, as shown in the table below.

		% of 2024		% of 2023	Increase/(Decrease)	
	2024	Total	2023	Total	Amount	Percent
Personnel	\$ 763,704	29.73%	\$ 740,338	36.72%	\$ 23,366	3.16%
Fringe	69,737	2.72%	67,374	3.34%	2,363	3.51%
Travel	18,604	0.72%	16,103	0.80%	2,501	15.53%
Operating Services	194,974	7.59%	174,920	8.67%	20,054	11.46%
Operating Supplies	84,840	3.30%	81,867	4.06%	2,973	3.63%
Other Costs	92,979	3.62%	88,695	4.40%	4,284	4.83%
Full Service	107,623	4.19%	116,589	5.78%	(8,966)	-7.69%
Meals	159,716	6.22%	151,616	7.52%	8,100	5.34%
Utility Assistance	469	0.02%	1,333	0.07%	(864)	-64.82%
Capital Outlay	1,052,898	40.99%	556,751	27.61%	496,147	89.11%
Intergovernmental	22,932	0.89%	20,796	1.03%	2,136	10.27%
	<u>\$ 2,568,476</u>	100%	<u>\$ 2,016,382</u>	100%	<u>\$ 552,094</u>	27.38%

Personnel expenditures increased this year by \$23,366 primarily due to the Council giving its employees raises during the fiscal year. The Council gave eight employees raises ranging between about 4% and 26% and maintained its workforce steady at around 34 employees.

Fringe expenditures increased \$2,363 this year mainly due to an increase of \$1,954 in payroll taxes directly related to the increase in wages.

Travel expenditures increased \$2,501 this year because there was more employee travel to provide services, which resulted in an increase in mileage reimbursements.

Operating service expenditures increased \$20,054. Some of the more notable changes included an \$8,821 increase in dues & subscriptions, \$5,394 increase in equipment maintenance, a \$3,603 increase in vehicle maintenance, a \$3,550 increase in vehicle insurance, and a \$4,068 increase in building maintenance. Advertising decreased by \$4,780.

Operating supplies expenditures increased by \$2,973. This increase is primarily related to a \$4,197 increase in office supplies and a \$2,546 increase in program supplies. The increases were offset by a decrease of \$4,550 to vehicle fuel & supplies.

Other costs increased by \$4,284 this year. This increase is primarily related to an increase of \$7,967 to internet access fees and a \$4,262 increase in software updates. These increases were offset by a

decrease of \$4,937 to audit costs. This expenditure category is comprised of a variety of costs which most had relatively small fluctuations when compared to the prior fiscal year.

Full service expenditures decreased \$8,966 when compared to last year because the Council spent less money on caregiver vouchers (\$17,500) in its Family Caregiver Support program.

Meals expenditures increased by \$8,100 when compared to last year. This year the Council served 1,247 less home-delivered meals (49,595 vs. 50,842) and 5,075 more congregate meals (30,904 vs. 25,829) than it did last year.

Utility Assistance expenditures consisted of helping one person with their utility bill during this year. The Council relies mostly on local utility donations to help support this service.

Capital outlay expenditures were \$1,052,898 this year because the Council finished building a new senior center. This expenditure category fluctuates year to year depending on the needs of the Council.

Intergovernmental expenditures include \$22,932 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, \$20,796 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 59. When you review this schedule, you will note that the original budget forecasted the Council would have a deficit for the year of \$1,248,132, whereas the amended budget forecasted this deficit to be \$1,250,471 (an increase of \$2,339). The noteworthy changes between the original budget and the final amended budget are as follows:

- The largest increase in revenues was to increase the amount of funds (\$11,781) the Council would receive from CAAA for the support of Title III programs.
- The largest decrease to revenues was to the amount expected to be received for interest income (\$15,129).

- There were changes made to most of the expenditure categories, which resulted in an overall reduction of \$2,782 to total budgeted expenditures.
- Transfers from the General Fund to various special revenue funds had increases to most funds and a large decrease to the Title III C-2 fund resulting in a net decrease of \$24,056 when the budget was amended.

The actual results for the year netted to an overall favorable variance of \$295,240 when compared to the amended budget. Some of the reasons for the actual results having a net favorable variance with the amended budget are as follows:

- The cost of capital outlay was \$231,102 less than expected.
- Restricted public support was \$6,472 more than forecasted.
- Personnel and Fringe expenditures were \$36,332 less than expected.
- Operating services were \$15,601 less than budgeted.
- Operating supplies were \$7,945 less than budgeted.
- The rural transportation grant revenue for nonelderly persons was \$18,894 less than budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the year, the Council had \$1,567,790 in capital assets, net of accumulated depreciation, which is an increase from last year of \$997,162. The increase is mostly attributable to construction of a new senior center. Capital assets were decreased by the sale of a vehicle which had been used in the Home Delivered Meals program. Additionally, this current year's depreciation of capital assets was \$55,736.

	<u>2024</u>	<u>2023</u>	<u>Increase / (Decrease)</u>
Vehicles	\$ 35,397	\$ 47,197	\$ (11,800)
Equipment	19,850	6,429	13,421
Building and Improvements	1,512,543	517,002	995,541
Land	9,000	9,000	-
	<u>\$ 1,576,790</u>	<u>\$ 579,628</u>	<u>\$ 997,162</u>

The Council had two vans titled in its name at the end of the fiscal year, which are included in capital assets. One of these vans is fully depreciated and the other is new (2023); all are used to for

home-delivered meals. In addition, the Council also has the use of nine 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. All ten 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 2025 and management is unaware of any significant adverse changes to the funding levels or terms of these grants and contracts.

For FY 2025, the Council has budgeted a \$29,447 surplus for its operations forecasting revenues of \$1,461,504 and expenditures of \$1,432,057. In setting its budget for fiscal year 2025, it was important to management that at least the same levels of service be delivered to clients and the public as were provided in 2024. There are no plans to add or terminate any programs in FY2025. 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@washingtoncoa.org.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Exhibit A

Statement of Net Position
Washington Council on the Aging, Inc.
Bogalusa, Louisiana
June 30, 2024

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current Assets:	
Cash and Investments	\$ 759,474
Receivables:	
Property taxes	1,422
Capital Area Agency on Aging	108,213
Washington Parish Government	50,310
Other receivables	3,471
Total current assets	<u>922,890</u>
Capital Assets:	
Land	9,000
Other capital assets, net of accumulated depreciation	1,567,790
Total capital assets	<u>1,576,790</u>
Total Assets	<u>2,499,680</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts payable	60,686
Credit cards payable	6,534
Accrued payroll taxes and related liabilities	2,477
Total current liabilities	<u>69,697</u>
<u>NET POSITION</u>	
Net investment in capital assets	1,576,790
Restricted for:	
Senior Citizen Activities	9,606
Utility Assistance	9,388
Unrestricted	834,199
Total Net Position	<u>\$ 2,429,983</u>

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

Exhibit B

Statement of Activities
Washington Council on the Aging, Inc.
Bogalusa, Louisiana
For the year ended June 30, 2024

Functions/Programs	Program Revenues					Net (Expense) Revenue and Increase (Decrease) in Net Position
	Direct Expenses	Indirect Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities						Total Governmental Activities
Health, Welfare & Social Services:						
Supportive Services:						
Transportation of the elderly	\$ 505,895	\$ 231,292	\$ 0	\$ 305,816	\$ 0	\$ (431,371)
Homemaker	67,192	30,767	0	30,446	0	(67,513)
Information and Assistance	18,900	8,654	0	1,500	0	(26,054)
Outreach	31,213	14,293	0	1,500	0	(44,006)
Telephoning	11,668	5,342	0	2,507	0	(14,503)
Medic Alert	3,113	0	0	2,850	0	(263)
Material Aid	1,112	509	0	0	0	(1,621)
Utility Assistance	27,909	0	0	27,928	0	19
Transportation Services - non elderly:						
General Public	16,533	7,557	6,315	12,958	0	(4,817)
Nutrition Services:						
Congregate Meals	158,463	57,806	0	55,155	0	(161,114)
Home Delivered Meals	224,443	38,409	0	97,395	0	(165,457)
Family Caregiver Support	77,823	346	0	116,036	0	37,867
Senior Citizen Activities	9,143	0	0	9,683	0	540
Administration	394,975	(394,975)	0	0	0	0
Total governmental activities	\$ 1,548,382	\$ 0	\$ 6,315	\$ 663,774	\$ 0	(878,293)

General Revenues:

Property taxes, net of \$22,932 withheld by the Sheriff	661,570
Grants and contributions not restricted to specific programs	206,563
Interest income	50,106
Facility rental, net of direct costs	100
Gain on sale of vehicle	1,800
Miscellaneous	85
Total General Revenues	920,224
Increase (Decrease) in net position	41,931
Net position - beginning of the year	2,388,052
Net position - end of the year	\$ 2,429,983

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

FUND FINANCIAL STATEMENTS

Exhibit C

**Fund Balance Sheet
Governmental Funds
Washington Council on the Aging, Inc.
Bogalusa, Louisiana
June 30, 2024**

	General Fund	Title III B Fund	Title III C-1 Fund	Title III C-2 Fund	Title III E Fund	Total Governmental Funds
ASSETS						
Cash and Investments	\$ 750,343	\$ 0	\$ 0	\$ 9,131	\$ 0	\$ 759,474
Receivables:						
Property taxes	1,422	0	0	0	0	1,422
Capital Area Agency on Aging	0	21,118	17,991	15,114	53,990	108,213
Washington Parish Government	1,929	48,381	0	0	0	50,310
Other receivables	3,471	0	0	0	0	3,471
Prepaid expenditures	0	0	0	0	0	0
Due from other governmental funds	97,144	0	0	0	0	97,144
Total Assets	<u>\$ 854,309</u>	<u>\$ 69,499</u>	<u>\$ 17,991</u>	<u>\$ 24,245</u>	<u>\$ 53,990</u>	<u>\$ 1,020,034</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 459	\$ 14,151	\$ 9,633	\$ 23,418	\$ 13,025	\$ 60,686
Credit cards payable	610	5,022	315	586	1	6,534
Accrued payroll taxes and related liabilities	47	1,824	363	241	2	2,477
Due to other governmental funds	0	48,502	7,680	0	40,962	97,144
Total Liabilities	<u>1,116</u>	<u>69,499</u>	<u>17,991</u>	<u>24,245</u>	<u>53,990</u>	<u>166,841</u>
Fund Balances						
Restricted for:						
Utility assistance	9,388	0	0	0	0	9,388
Senior citizen activities	9,606	0	0	0	0	9,606
Unassigned	<u>834,199</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>834,199</u>
Total Fund Balances	<u>853,193</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>853,193</u>
Total Liabilities and Fund Balances	<u>\$ 854,309</u>	<u>\$ 69,499</u>	<u>\$ 17,991</u>	<u>\$ 24,245</u>	<u>\$ 53,990</u>	
Amounts reported for governmental activities in the statement of net position are different because:						
- Prepaid expenses relating to vehicle usage are not financial resources and therefore are not reported as assets in the governmental funds						0
- Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds						1,576,790
Net Position of Governmental Activities						<u>\$ 2,429,983</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, 2024

	General Fund	Title III B Fund	Title III C-1 Fund	Title III C-2 Fund	Title III E Fund	Total Governmental Funds
REVENUES						
Property Taxes	\$ 684,502	\$ 0	\$ 0	\$ 0	\$ 0	\$ 684,502
Intergovernmental	218,176	370,793	32,719	95,625	116,036	833,349
Public Support (Restricted)	10,211	1,226	22,316	1,770	0	35,523
Public Support (Unrestricted)	1,345	0	0	0	0	1,345
Program Service Fees (transportation services)	6,315	0	0	0	0	6,315
Interest Income	50,106	0	0	0	0	50,106
Building Rent	100	0	0	0	0	100
Miscellaneous	85	0	120	0	0	205
Total revenues	970,840	372,019	55,155	97,395	116,036	1,611,445
EXPENDITURES						
Health, Welfare, & Social Services:						
Current:						
Personnel	13,986	558,403	118,993	71,866	456	763,704
Fringe	1,265	50,953	10,897	6,580	42	69,737
Travel	169	16,010	917	1,505	3	18,604
Operating services	4,225	142,538	26,815	21,319	77	194,974
Operating supplies	1,531	62,925	9,965	9,994	425	84,840
Other costs	10,641	64,841	10,419	7,020	58	92,979
Full service	0	30,553	0	0	77,070	107,623
Meals	0	0	30,959	128,757	0	159,716
Utility Assistance	469	0	0	0	0	469
Capital Outlay	1,052,898	0	0	0	0	1,052,898
Intergovernmental	22,932	0	0	0	0	22,932
Total expenditures	1,108,116	926,223	208,965	247,041	78,131	2,568,476
Excess of revenues over (under) expenditures	(137,276)	(554,204)	(153,810)	(149,646)	37,905	(957,031)
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of vehicle	1,800	0	0	0	0	1,800
Operating transfers in	37,905	554,204	153,810	149,646	0	895,565
Operating transfers out	(857,660)	0	0	0	(37,905)	(895,565)
Total other financing sources (uses)	(817,955)	554,204	153,810	149,646	(37,905)	1,800
Net increase (decrease) in fund balances	(955,231)	0	0	0	0	(955,231)
FUND BALANCE						
Beginning of year	1,808,424	0	0	0	0	1,808,424
End of year	\$ 853,193	\$ 0	\$ 0	\$ 0	\$ 0	\$ 853,193

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, 2024**

Net Increase (Decrease) in Fund Balances - Total Governmental Funds	\$ (955,231)
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 Capital Outlay expenditures (\$1,052,898) exceeds depreciation expense (\$55,736) this year.	997,162
Increase (Decrease) of Net Position of Governmental Activities	<u>\$ 41,931</u>

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, 2024

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 (\$94,305) 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 generally 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. 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 3.16%) was used to pay for the rural transportation costs for nonelderly riders and that amount (\$8,494) 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 \$528 of contributions from WST and other sources and expended \$469 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:

Type of Service Provided	Primary Grant Units
Homemaker	3,015
Information & Assistance	1,453
Material Aid	685
Medical Alert	115
Outreach	445
Telephoning	1,733
Transportation for people age 60 or older	14,878

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* (\$74,597).
- CAAA also provided \$28,210 in American Rescue Plan (ARP) grant funds to supplement the primary grant.
- 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 96.84%) was used to pay for the rural transportation costs for elderly riders and that amount (\$259,896) has been recorded directly as revenue in this fund. DOTD also reimbursed \$8,090 of training costs.
- Restricted, voluntary public support (\$1,226) 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 30,904 meals and 149 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* (\$28,368).
- CAAA also provided \$4,351 of ARP grant funds to supplement the primary grant.
- Restricted, voluntary public support (\$22,316) 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 49,595 home-delivered meals along with 326 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* (\$37,336).
- CAAA also provided \$58,289 in ARP grant funds to supplement its primary grant.
- Restricted, voluntary public support (\$1,770) from those persons who received home-delivered meals.

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

343 units of information and assistance, 91 units of material aid, and 7648 units of in-home respite under this program.

The primary source of the revenue forming the basis for this fund is a grant (\$75,395) 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 \$40,641 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 \$18,994 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. The Council had no prepaid expenses

at year end.

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 30th 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, 2024 for the 2023 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 did not have any advances from CAAA, GOEA or any other funding agency.

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 the 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, 2023, of the certified roll was \$307,147,860. After applying homestead exemptions of \$62,755,790 the net assessed value upon which the Council's property tax was computed was \$244,392,070. 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 \$5,023 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 2023. Accordingly, management estimated the initial gross amount of property tax owed to the Council for this fiscal year to be approximately \$685,860. However, the original amount of property tax revenue was later adjusted to \$684,956 by the Sheriff's office to reflect supplements, reductions, and additional adjudicated/exempt taxes. In addition, the Council collected \$593 of prior years' property taxes, previously written off, and wrote off \$1,047 of property taxes which resulted in total property tax revenue of \$684,502 being recognized in this year's financial statements.

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 2023 tax assessment was May 22, 2024 and the tax liens were recorded June 3, 2024.

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 2024 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 (\$1,042) 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 \$684,502 on the fund financial Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit D) have not been reduced by \$22,932 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 \$22,932 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 \$684,502 were reduced by the \$22,932 of *on-behalf payments* to present a net amount of \$661,570 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 \$145,716 and the corresponding bank balances totaled \$162,256. The current FDIC coverage is \$250,000 per bank, therefore, all the Council's bank balances were insured at year-end. However, the bank holds pledged securities to cover the uninsured bank balances as they occur during the year to comply with state law and the Council's policy. The pledged securities had a market value at June 30, 2024, of \$989,320. 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 \$613,758 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 that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for 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 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM (to reset) for LAMP's total investments is 43 days and the WAM (to final) is 70 days as of June 30, 2024.
- Foreign currency risk: Not applicable to 2a7-like pools.

At June 30, 2024, 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	\$ 145,574	\$ 145,574	None	Demand	Category 1
Hancock Whitney Bank - EFSP	141	141	None	Demand	Category 1
Total Cash	145,715	145,715			
Investments:					
LAMP	613,758	613,758	5.28%	Demand	N/A
Total Investments	613,758	613,758			
Total Cash & Investments	\$ 759,473	\$ 759,473			
Unrestricted Purpose	\$ 740,479				
Restricted Purpose:					
Senior Citizen Activities	9,606				
Utility Assistance	9,388				
Total Cash & Investments	\$ 759,473				

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, 2023	Additions	Decreases	Balance June 30, 2024
Vehicles	\$ 101,562	\$ 0	\$ (14,553)	\$ 87,009
Equipment	47,084	18,286	0	65,370
Buildings & Improvements	75,493	1,532,367	0	1,607,860
Total Capital Assets	224,139	1,550,653	(14,553)	1,760,239
Less Accumulated Depreciation:				
Vehicles	54,365	11,799	(14,553)	51,611
Equipment	40,655	4,865	0	45,520
Buildings & Improvements	56,246	39,072	0	95,318
Total Accumulated Depreciation	151,266	55,736	(14,553)	192,449
Capital Assets Net of Depreciation	\$ 72,873	\$ 1,494,917	\$ 0	\$ 1,567,790

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	\$ 41,273
Supportive Services:	
Transportation of the Elderly	773
Nutrition Services:	
Congregate Meals	1,263
Home-delivered Meals	11,799
Transportation Services - Nonelderly	25
Senior Center Activities - Other	603
Total depreciation expense	\$ 55,736

The \$41,273 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 relates to a building owned by the Council and used by another agency.

Note 6 - Prepaid Expenditures and Expenses

At year-end, the Council had no prepaid expenditures presented in the Balance Sheet (Exhibit C).

At year-end, the Council had no prepaid expenses in the Statement of Net Position (Exhibit A).

	Current Portion	Noncurrent Portion
Total prepaid expenses	<u>\$ -</u>	<u>\$ -</u>

Generally, 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 Council did not have any current or noncurrent prepaid expenses at year end.

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 (\$9,606) and utility assistance (\$9,388).

None of the special revenue funds had any fund balance at June 30, 2024. 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 \$22,932 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 2024:

Assessor's Retirement Fund	\$ 2,549
Clerks' of Court Retirement & Relief Fund	2,028
District Attorney's Retirement System	1,623
Municipal Employees' Retirement System	2,028
Parochial Employees' Retirement System	2,028
Registrar of Voters Employees' Retirement System	507
Sheriffs' Pension & Relief Fund	4,056
Teachers' Retirement System	8,113
	<u>\$ 22,932</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.

In most years 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 are customarily acquired under capital assistance grants wherein the federal government pays for 80% to 100% of the vehicle's cost and the remainder, if any, is 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. For FY 2024 there is no in-kind contribution for the use of any vehicles because these costs have been fully amortized in prior years. Ordinarily the estimate is 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 is amortized from the date at which the Council began using each vehicle using a 5 year (approximately 100,000 miles) estimated useful life. If the in-kind contribution for the vehicles, had there been any, had been recorded in the Statement of Activities, the value of the contribution would be allocated amongst the Council's transportation programs (96.84% for Elderly Transportation and 3.16% 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, 2024, 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, \$7,385 was contributed to the Plan via employee salary deferrals. The Council contributed \$2,453 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 2024, the Council paid \$4,721 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>
2025	4,931
2026	3,755
Total minimum future lease payments	<u>\$ 8,686</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	\$ 48,502	\$ 0
Title III C-1	7,680	0
Title III E	40,962	0
Totals for the General Fund	<u>97,144</u>	<u>0</u>
Special Revenue Funds:		
Major Funds:		
Title III B:		
General Fund	0	48,502
Title III C-1:		
General Fund	0	7,680
Title III E:		
General Fund	0	40,962
Totals for Special Revenue Funds	<u>0</u>	<u>97,144</u>
Totals for All Funds	<u>\$ 97,144</u>	<u>\$ 97,144</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. Program services and operations have returned to pre-Pandemic levels. However, 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, 2024.

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
General Fund:		
Title III B Fund	\$ 0	\$ 554,204
Title III C-1 Fund	0	153,810
Title III C-2 Fund	0	149,646
Title III E Fund	37,905	0
Total General Fund	37,905	857,660
Title III B-Fund:		
General Fund - Various Local Funds	\$ 454,204	\$ 0
General Fund - PCOA Grant	100,000	0
Total Title III B Fund	554,204	0
Title III C-1 Fund:		
General Fund - Various Local Funds	\$ 48,592	\$ 0
General Fund - Senior Center Grant - primary	94,305	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	153,810	0
Title III C-2 Fund:		
General Fund - Various Local Funds	\$ 149,646	\$ 0
Total Title III C-2 Fund	149,646	0
Title III E Fund:		
General Fund	\$ 0	\$ 37,905
Total for Title III E Fund	0	37,905
Grand Totals	\$ 895,565	\$ 895,565

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 November 22, 2024, 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, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final (Amended)	Modified Accrual Basis	Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ 624,386	\$ 624,386	\$ 684,502	\$ 60,116
Intergovernmental:				
Governor's Office of Elderly Affairs:				
PCOA	100,000	100,000	100,000	0
Senior Center - primary grant	94,305	94,305	94,305	0
Supplemental Senior Center #1	3,100	3,100	3,100	0
Supplemental Senior Center #2	7,813	7,813	7,813	0
Washington Parish Government	31,852	31,852	12,958	(18,894)
Public Support - restricted	13,739	3,739	10,211	6,472
Public Support - unrestricted	0	0	1,345	1,345
Program Service Fees - transportation services	9,500	9,500	6,315	(3,185)
Interest Income	63,129	48,000	50,106	2,106
Building Rent	0	0	100	100
Miscellaneous	125	125	85	(40)
Total Revenues	947,949	922,820	970,840	48,020
EXPENDITURES				
Current:				
Personnel	47,472	47,632	13,986	33,646
Fringe	3,947	3,951	1,265	2,686
Travel	846	643	169	474
Operating Services	20,016	19,826	4,225	15,601
Operating Supplies	9,538	9,476	1,531	7,945
Other Costs	12,130	12,818	10,641	2,177
Utility Assistance	55	0	469	(469)
Capital Outlay	1,284,000	1,284,000	1,052,898	231,102
Intergovernmental	20,208	22,932	22,932	0
Total Expenditures	1,398,212	1,401,278	1,108,116	293,162
Excess of revenues over expenditures	(450,263)	(478,458)	(137,276)	341,182
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of vehicle	0	1,800	1,800	0
Proceeds from insurance		0	0	0
Transfers in	0	0	37,905	37,905
Transfers out	(797,869)	(773,813)	(857,660)	(83,847)
Total other financing sources (uses)	(797,869)	(772,013)	(817,955)	(45,942)
Net increase (decrease) in fund balance	\$ (1,248,132)	\$ (1,250,471)	(955,231)	\$ 295,240
FUND BALANCE				
Beginning of year			1,808,424	
End of year			\$ 853,193	

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final (Amended)	Modified Accrual Basis	Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
Capital Area Agency on Aging - Primary Grant	\$ 74,597	\$ 74,597	\$ 74,597	\$ 0
Capital Area Agency on Aging - ARP Grant	22,745	27,493	28,210	717
Washington Parish Government	286,670	286,670	267,986	(18,684)
Public Support - restricted (client contributions)	1,235	1,235	1,226	(9)
Total Revenues	385,247	389,995	372,019	(17,976)
EXPENDITURES				
Current:				
Personnel	518,093	532,089	558,403	(26,314)
Fringe	43,070	44,133	50,953	(6,820)
Travel	6,994	15,726	16,010	(284)
Operating Services	123,531	123,589	142,538	(18,949)
Operating Supplies	60,367	60,397	62,925	(2,528)
Other Costs	51,585	55,975	64,841	(8,866)
Full Service	24,785	29,888	30,553	(665)
Capital Outlay	0	0	0	0
Total Expenditures	828,425	861,797	926,223	(64,426)
Excess of expenditures over revenues	(443,178)	(471,802)	(554,204)	(82,402)
OTHER FINANCING SOURCES (USES)				
Transfers in	443,178	471,802	554,204	82,402
Transfers out	0	0	0	0
Total other financing sources (uses)	443,178	471,802	554,204	82,402
Net increase (decrease) in fund balance	\$ 0	\$ 0	0	\$ 0
FUND BALANCE				
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, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final (Amended)	Modified Accrual Basis	Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
Capital Area Agency on Aging - Primary Grant	\$ 28,368	\$ 28,368	\$ 28,368	\$ 0
Capital Area Agency on Aging - ARP Grant	4,351	4,351	4,351	0
Public Support - restricted (client contributions)	18,272	24,700	22,316	(2,384)
Miscellaneous	0	0	120	120
Total Revenues	50,991	57,419	55,155	(2,264)
EXPENDITURES				
Current:				
Personnel	108,299	115,582	118,993	(3,411)
Fringe	9,003	9,587	10,897	(1,310)
Travel	304	1,235	917	318
Operating Services	17,634	17,997	26,815	(8,818)
Operating Supplies	6,363	6,468	9,965	(3,497)
Other Costs	7,992	8,223	10,419	(2,196)
Meals	20,696	20,696	30,959	(10,263)
Capital Outlay	0	0	0	0
Total Expenditures	170,291	179,788	208,965	(29,177)
Excess of expenditures over revenues	(119,300)	(122,369)	(153,810)	(31,441)
OTHER FINANCING SOURCES (USES)				
Transfers in	119,300	122,369	153,810	31,441
Transfers out	0	0	0	0
Total other financing sources (uses)	119,300	122,369	153,810	31,441
Net increase (decrease) in fund balance	\$ 0	\$ 0	0	\$ 0
FUND BALANCE				
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, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final (Amended)	Modified Accrual Basis	Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
Capital Area Agency on Aging - Primary Grant	\$ 37,336	\$ 37,336	\$ 37,336	\$ 0
Capital Area Agency on Aging - ARP Grant	58,289	58,289	58,289	0
Public Support - restricted:				
Client contributions	1,575	1,575	1,770	195
Total Revenues	97,200	97,200	97,395	195
EXPENDITURES				
Current:				
Personnel	65,887	65,573	71,866	(6,293)
Fringe	5,477	5,439	6,580	(1,141)
Travel	300	1,373	1,505	(132)
Operating Services	23,343	23,071	21,319	1,752
Operating Supplies	11,672	11,587	9,994	1,593
Other Costs	6,131	5,944	7,020	(1,076)
Meals	218,042	161,802	128,757	33,045
Capital Outlay	0	0	0	0
Total Expenditures	330,852	274,789	247,041	27,748
Excess of expenditures over revenues	(233,652)	(177,589)	(149,646)	27,943
OTHER FINANCING SOURCES (USES)				
Transfers in	233,652	177,589	149,646	(27,943)
Transfers out	0	0	0	0
Total other financing sources (uses)	233,652	177,589	149,646	(27,943)
Net increase (decrease) in fund balance	\$ 0	\$ 0	0	\$ 0
FUND BALANCE				
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, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final (Amended)	Modified Accrual Basis	Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
Capital Area Agency on Aging - Primary Grant	\$ 38,852	\$ 38,852	\$ 75,395	\$ 36,543
Capital Area Agency on Aging - ARP Grant	31,158	38,191	40,641	2,450
Total Revenues	70,010	77,043	116,036	38,993
EXPENDITURES				
Current:				
Personnel	2,839	2,846	456	2,390
Fringe	236	236	42	194
Travel	10	22	3	19
Operating Services	422	408	77	331
Operating Supplies	1,785	1,780	425	1,355
Other Costs	299	288	58	230
Full Service	66,158	73,516	77,070	(3,554)
Capital Outlay	0	0	0	0
Total Expenditures	71,749	79,096	78,131	965
Excess of revenues over (under) expenditures	(1,739)	(2,053)	37,905	39,958
OTHER FINANCING SOURCES (USES)				
Transfers in	1,739	2,053	0	(2,053)
Transfers out	0	0	(37,905)	(37,905)
Total other financing sources (uses)	1,739	2,053	(37,905)	(39,958)
Net increase (decrease) in fund balance	\$ 0	\$ 0	0	\$ 0
FUND BALANCE				
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 2024 was approved by the board on May 26, 2023.
- 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 2024 at a regular board meeting on March 22, 2024. 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.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - Continued

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

- Management budgeted an operating deficit in the Council's General Fund this year of \$1,250,471.

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, 2024**

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
<u>Capital Assets</u>				
Vehicles	\$ 101,562	\$ 0	\$ (14,553)	\$ 87,009
Equipment	47,084	18,286	0	65,370
Buildings & improvements	75,493	1,532,367	0	1,607,860
Construction in Progress - Building	497,755	0	(497,755)	0
Land	9,000	0	0	9,000
Total capital assets	<u>\$ 730,894</u>	<u>\$ 1,550,653</u>	<u>\$ (512,308)</u>	<u>\$ 1,769,239</u>
<u>Investment in Capital Assets</u>				
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	57,169	0	(14,553)	42,616
Senior Center	840	0	0	840
Local	621,241	1,052,898	0	1,674,139
Acquired before 1985	45,000	0	0	45,000
Total investment in capital assets	<u>\$ 730,894</u>	<u>\$ 1,052,898</u>	<u>\$ (14,553)</u>	<u>\$ 1,769,239</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, 2024

Executive Director's (Agency Head) Name: Leona Magee

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 60,651.25
Benefits-insurance (health and life)	0
Benefits-retirement	1,819.50
Benefits-other (describe) - FICA, LUTA, WORKER'S COMP	5,775.28
Travel	2,593.57
Other Expense Reimbursements	545.21
Conferences and Training	0
Total	<u>\$ 71,384.81</u>

See independent auditor's report

CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

ADAM C. HEBERT, CPA

MEMBER

American Institute of Certified Public Accountants
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**Hebert Johnson
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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, 2024, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated November 22, 2024.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the 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
Albany, Louisiana
November 22, 2024

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Washington Council on the Aging, Inc.

Bogalusa, Louisiana

For the year ended June 30, 2024

SUMMARY OF AUDITOR'S REPORTS

- A. Type of auditor's report issued on the financial statements: Unmodified
- B. Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*:
- Internal control over financial reporting:
- Material weaknesses identified? No
 - Significant deficiencies identified? None were reported
- Noncompliance material to the financial statements identified? No
- C. Federal Awards:
- Auditor's reports on compliance for each major federal award program and on internal control over federal awards are not applicable because federal expenditures were less than \$750,000 and a single audit is not required this year.
- D. FINANCIAL STATEMENT FINDINGS
- There were no findings that are required to be reported in this section of the report.
- E. 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, 2024

Financial Statement Findings

The auditor did not report any financial statement findings in his audit of the Council's FY 2023 financial statements last year. Therefore, management has nothing to report in this section.

Major Federal Award Program Findings and Questioned Costs

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

Management Letter

None was issued last year.

MANAGEMENT'S CORRECTIVE ACTION PLAN
Washington Council on the Aging, Inc.
Bogalusa, Louisiana
For the year ended June 30, 2024

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, 2024.

The findings from the June 30, 2024 schedule of findings and questioned costs are discussed below.

FINANCIAL STATEMENT FINDINGS

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

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

WASHINGTON COUNCIL ON THE AGING, INC.
BOGALUSA, LOUISIANA

STATEWIDE AGREED-UPON PROCEDURES REPORT

Fiscal Period July 1, 2023 through June 30, 2024



**Hebert Johnson
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A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2024

To the Board of Directors of 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, 2023 through June 30, 2024. 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, 2023 through June 30, 2024. 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:

1) Written Policies and Procedures

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 rates 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) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **Credit Cards (and debit cards, fuel cards, purchase 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).
- 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) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exceptions: The Council has not adopted a policy related to Ethics or Information Technology. The Council had procedures for Sexual Harassment but did not include policies and procedures on annual training or 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.

2) Board or Finance Committee

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
 - i. 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.
 - ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit 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.*
 - iii. 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.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exceptions were found as a result of these procedures.

3) Bank Reconciliations

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:

- i. 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);
- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
- iii. 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.

4) Collections (excluding electronic funds transfers)

- A. 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).
- B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also 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; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions were found as a result of these procedures.

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

- 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 procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;

- iii. 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;
- iv. 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; and
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[Note: Findings related 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 procedure #5A 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
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- 11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

Exception: Out of the five electronic disbursements selected, one of the disbursements lacked supporting documentation. Three of the five disbursements selected did not show evidence of approval on the supporting documentation. The check signer does review the electronic disbursements listed on the bank statements.

Management's Response: Management will ensure to obtain invoices for all electronic disbursements, and all authorized check signers approve the electronic disbursements.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.
- B. 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., itemized 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 (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #6B 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 (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that 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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Exception: Out of the twenty-eight credit card transactions tested, two of the transactions were not supported by itemized receipts and did not state the public purpose.

Management's Response: This was an oversight by management.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. 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 and 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

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov);
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
- iii. Observe that 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 Policies and Procedures procedure #1A(vii); and
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Exception: Two of the five travel reimbursements were not approved by someone other than the person receiving the reimbursement.

Management's Response: This was an oversight by management.

8) Contracts

- A. 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. *Alternatively, 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
 - i. 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;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that 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, the documented approval); and
 - iv. 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

that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions were found as a result of these procedures.

9) Payroll and Personnel

- A. 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.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. 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 and 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's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. 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) have been paid, and any associated forms have been filed, by required deadlines.

Exception: Out of the five employees selected, one employee's pay rate was not documented in their employee file. The Council did not pay two federal tax deposits in a timely manner resulting in a penalty of \$255.36.

Management's Response: This was an oversight by management. The penalty has been paid. Management will ensure that all employees' authorized pay rates are properly documented in the employees' file.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - a. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - b. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- 23. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions were found as a result of these procedures.

11) Debt Service

(These procedures are not applicable to the Council)

- A. 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 that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. 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).

12) Fraud Notice

- A. 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 as required by R.S. 24:523.

- B. Observe that 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.

13) Information Technology Disaster Recovery/Business Continuity

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 there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
- B. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then 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.
- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- Hired before June 9, 2020 - completed the training; and
 - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that 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).
- C. 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 that the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

No exceptions were found as a result of these procedures.

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.

Respectfully Submitted,

Chris Johnson

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Albany, Louisiana
November 22, 2024