

Washington Council on the Aging, Inc.
Bogalusa, Louisiana
Annual Financial Statements
As of and for the Year Ended June 30, 2020



A Professional Accounting Corporation

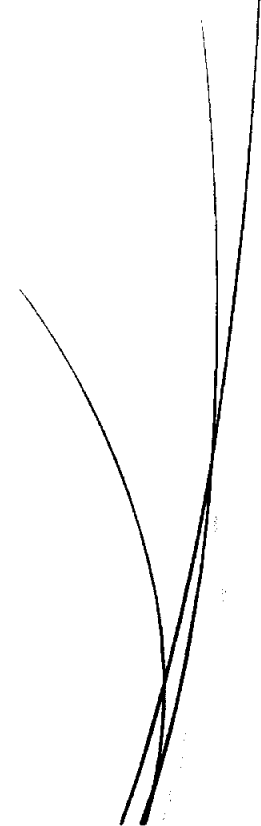


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Bogalusa, Louisiana
June 30, 2020

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CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

ADAM C. HEBERT, CPA

MEMBER

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



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

18435 HIGHWAY 22, STE. 2
P.O. BOX 1151
PONCHATOULA, LA 70454
(985) 386-5740 • FAX (985) 386-5742

29644 SOUTH MONTPELIER AVE., STE. B
P.O. BOX 520
ALBANY, LA 70711
(225) 209-6627 • FAX (225) 209-6625

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 Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Council as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 through 18) and budgetary comparison information (pages 61 through 65) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 not a required part of the basic financial statements.

This supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued my report dated November 20, 2020 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

Respectfully Submitted,

Chris Johnson

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

November 20, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Washington Council on the Aging, Inc.

June 30, 2020

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, 2020. 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 \$167,870, or about 16%.
- Net investment in capital assets of the Council decreased by \$4,208, or about 3.7%.
- Administrative expenses increased this year by \$12,486, or about 5.5%.
- The unassigned fund balance for the Council's General Fund was \$1,066,107, at year-end, which is a \$178,916 or 20% increase from the prior year.
- Fund revenues increased by \$189,655, or about 17%.
- Fund expenditures increased by \$52,692, or about 4.9%.
- No deficit fund balances existed at year-end.
- The Council did not have any long-term liabilities, but the Council obtained a Paycheck Protection Program Loan of \$125,370, which it has reported as short-term debt.

How to Use This Annual Report

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

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

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

funds.

Fund financial statements also report the Council's operations in more detail than the government-wide financial statements by providing information about the Council's most 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 Management's Discussion and Analysis and certain budgetary comparison schedules required by accounting principles generally accepted in the United States of America (specifically, GASB Statement 34) in this reporting package but did not audit them and therefore expresses no opinion on them. Finally, the auditor states in his report that he has applied certain audit procedures to the supplementary financial information presented for purposes of additional analysis by the Governor's Office of Elderly Affairs (GOEA) and a supplementary schedule of compensation, benefits, and other payments made to the Council's executive director as required by Louisiana law, and that this information is fairly stated in all material respects in relation to the financial statements as a whole.

On page 73 of this reporting package is a second auditor's report. This report is on the Council's compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*. In this report the auditor did not identify any deficiencies in internal control over financial reporting that he considered to be material weaknesses. In addition, the auditor stated that his tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

BASIC FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The government-wide financial statements (Exhibits A and B) are prepared using the accrual basis of accounting and are designed to provide readers with a broad overview of the Council's finances, in a manner similar to a private sector business. When using these financial statements, the user should consider whether the Council's finances, as a whole, have improved or deteriorated since last year. The government-wide financial statements found on pages 20 and 21 report the Council's net position and changes in them. However, to assess the overall financial position of the Council, the user must also consider non-financial factors, such as the condition of the Council's capital assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

The Statement of Net Position (Exhibit A) presents all assets and liabilities and the Council's financial position at year-end, whereas the Statement of Activities (Exhibit B) presents information showing how the Council's net position changed during this fiscal year as a result of the Council's activities. In this statement all changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will affect cash flows in future fiscal periods.

All of the Council's significant activities are reported in the Statement of Activities, including a Health, Welfare, and Social Services function and an Administration function. The Health, Welfare, and Social Services function, 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. The Statement of Activities for this program clearly shows the deficit at which it operates despite the fees charged.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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.

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

The general fund is used to account for all financial resources except those that are required to be accounted for in another fund. The Council's general fund receives general revenue primarily from a property tax, 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 Fund, Title III C-2 Fund, and Title III E Fund as *major* governmental funds. 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.

Major funds are those whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a major fund could be a fund that does not meet these criteria but which management subjectively believes is important to the Council's financial statement users. This year the Title III E Fund did not meet any of the quantitative criteria to qualify as a major fund but management elevated it to major status to be consistent with how it has been presented in past years.

Notes to the Financial Statements

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

In addition to the basic financial statements, this report also presents certain required supplementary information (RSI) that further explains and supports the information in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted budget (see pages 61 to 65). The schedules compare the original and final (if the original budget is amended) budgets to actual results for the Council's fiscal year. Positive and negative variances between the final budget and actual amounts are also presented.

Management's Discussion and Analysis (MD&A) is also required supplementary information by GASB Statement 34. However, GASB Statement 34 requires the MD&A be presented as the first item in this reporting package (after the independent auditor's opinion) and not with the other RSI, which is included later in this reporting package beginning on page 61.

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 70) 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. This information is designed to allow the public to see what the Council's top employee has been paid or reimbursed during the year. The objective is to make the Council's expenditures more transparent.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

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

Condensed Statement of Net Position

	<u>2020</u>	<u>2019</u>	Increase (Decrease)
Current and Other Assets:			
Current Assets	\$ 1,259,788	\$ 930,157	\$ 329,631
Other Assets	13,830	23,247	(9,417)
Capital Assets, net of depreciation	108,984	113,192	(4,208)
Total Assets	<u>1,382,602</u>	<u>1,066,596</u>	<u>316,006</u>
Current Liabilities	<u>172,429</u>	<u>24,293</u>	<u>148,136</u>
Total Liabilities	<u>172,429</u>	<u>24,293</u>	<u>148,136</u>
Net Position:			
Net Investment in Capital Assets	108,984	113,192	(4,208)
Restricted	10,075	9,256	819
Unrestricted	1,091,114	919,855	171,259
Total Net Position	<u>\$ 1,210,173</u>	<u>\$ 1,042,303</u>	<u>\$ 167,870</u>

As noted earlier, net position may serve over time as a useful indicator of the Council's financial position. The Council's net position at June 30, 2020 was \$1,210,173, whereas net position as of June 30, 2019 was \$1,042,303. The net position amount as of June 30, 2020 represents about an 16% increase in net position from 2019.

About 90% and 88% of the Council's total net position is unrestricted as of June 30, 2020 and 2019, respectively. Unrestricted net position is important because it represents resources that management has available to adapt to changes in the economy, emergencies, unexpected needs, and reduction in or termination of grant revenues by government agencies.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

spent for client services instead of debt service. Net investment in capital assets represents about 9% of total net position at the end of 2020 compared to 11% at the end of 2019.

The table presented below illustrates a summarized or condensed presentation of the revenues and expenses that caused the change in net position for 2020 and 2019, respectively.

Revenues:	2020	% of Total	2019	% of Total
Program Revenues:				
Charges for Services	\$ 6,587	0.51%	\$ 10,618	0.97%
Operating Grants and Contributions	551,723	43.05%	440,808	40.37%
Capital Grants and Contributions	0	0.00%	0	0.00%
General Revenues:				
Property Taxes, net of Pension Withholding	527,876	41.19%	502,904	46.06%
Unrestricted Grants and Contributions	173,050	13.50%	115,136	10.54%
Other General Revenues	22,472	1.75%	22,400	2.05%
Total Revenues	1,281,708	100.00%	1,091,866	100.00%
 Direct Program Expenses of the Health, Welfare, and Social Services Function:				
Supportive Services:				
Transportation of the elderly	345,946	31.06%	365,481	34.30%
Homemaker	89,492	8.03%	108,492	10.18%
Other supportive services	39,918	3.58%	31,565	2.96%
Transportation of the non-elderly	98,499	8.84%	45,777	4.30%
Nutrition Services:				
Congregate Meals	96,212	8.64%	108,888	10.22%
Home-delivered Meals	171,666	15.41%	146,781	13.77%
Family Caregiver Support	18,435	1.66%	20,593	1.93%
Other Senior Citizen Activities	14,935	1.34%	11,754	1.10%
Direct Administrative Expenses	238,735	21.43%	226,249	21.23%
Total Expenses	1,113,838	100.00%	1,065,580	100.00%
Increase (Decrease) in Net Position	167,870		26,286	
Net position, beginning of year	1,042,303		1,016,017	
Net position, end of year	\$ 1,210,173		\$ 1,042,303	

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

AN ANALYSIS OF GOVERNMENTAL ACTIVITIES

As illustrated by the table above, the Council got 41% of its FY 2020 revenues from property taxes. The **property tax revenue** can be used for any of the Council's programs or services and increased by \$24,972 this year. The largest source of revenues came from **operating grants and restricted contributions** (43%) and must be used specifically in the programs to which they relate. This source of revenue increased by \$110,915 when compared to last year. **Unrestricted grants and contributions** represent about 13.5% of gross revenues and increased (\$57,914) 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. This source of revenue decreased by \$4,031 from last year. **Capital grants and contributions** had no activity this year or last year. **Other general revenues** increased (\$72) this year.

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.

The Council had a \$167,870 increase in its net position for 2020, whereas the increase in net position for 2019 was \$26,286. There is a reconciliation (Exhibit E) that follows the Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit D) that presents an analysis of why there are differences between Exhibit D and the government-wide Statement of Activities (Exhibit B) for 2020.

When reviewing the government-wide Statement of Activities, there are relationships that are important to the understanding of the Council's operations. As you can see, the Council's largest activities are transportation, homemaker, and nutrition services. The Council's main focus is to meet the needs of the elderly citizens of Washington Parish and right now these services are in the greatest demand.

Another area of interest on the Statement of Activities relates to the *Total Governmental Activities* column wherein the Council shows that all but three 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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

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 expenses. For 2020, total administration expenses were \$238,735 or about 21% of total expenses, whereas these administration expenses were \$226,249 or about 21% of total expenses in 2019. 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 \$1,077,942, which is an increase of \$181,495 when compared to last year. The \$181,495 increase is 100% attributable to the Council's General Fund. There were no changes in the fund balances for the special revenue funds. The unassigned fund balance component of the General Fund was \$1,066,107 and is available for spending at management's discretion. The remainder of the fund balance consists of \$10,075 of restricted resources and \$1,760 of nonspendable resources.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Revenues

The combined fund revenues increased \$189,655 this year versus last year, as shown in the table below.

	% of 2020		% of 2019		Increase/(Decrease)	
	2020	Total	2019	Total	Amount	Percent
Intergovernmental	\$ 681,655	52.68%	\$ 520,654	47.14%	\$ 161,001	30.92%
Property Taxes	545,928	42.19%	520,394	47.12%	25,534	4.91%
Program Service Fees	6,587	0.51%	10,618	0.96%	(4,031)	-37.96%
Public Support	40,414	3.12%	34,635	3.14%	5,779	16.69%
Interest Income	10,158	0.78%	9,294	0.84%	864	9.30%
Building Rent	6,300	0.49%	6,400	0.58%	(100)	-1.56%
Miscellaneous	2,998	0.23%	2,390	0.22%	608	25.44%
Total Revenues	\$ 1,294,040	100.00%	\$ 1,104,385	100.00%	\$ 189,655	17.17%

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 \$161,001 net increase in **intergovernmental revenue** was primarily due to the Council receiving (1) \$79,673 more from its rural transportation grant, (2) \$14,694 from CAAA program grants, and (3) \$59,800 more from GOEA versus last year. As part of the increase in GOEA funding, the Council received \$62,500 of extra Parish Council on Aging (PCOA) grant funds.

Property tax revenue represents a significant revenue source in both years. The 2020 amount increased \$25,534 over last year's total. 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. 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.

Program service fees arise from the Council charging for transportation services. This year's total amount decreased by \$4,031 or about 38% when compared to last year. The revenue for this category will fluctuate each year based on the demand from the public for transportation services.

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

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

expand services. This year public support increased by \$5,779 overall. The main components of the overall increase are an increase of \$15,444 in general public donations and a decrease of \$8,967 in client contributions. The main reason for the large increase in general public donations is due to \$15,000 of donations from two companies to pay for home-delivered meals during the COVID-19 pandemic. The reason for the large decrease in client contributions is because the senior centers had to close due to the pandemic so there were no donations for congregate meals from mid-March through the end of June. 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.

The other revenue categories represent about 2% of the total revenues the Council received and do not have any individual items that are noteworthy of any additional discussion.

Expenditures

Total expenditures increased by \$52,692 this year, as shown in the table below.

	% of 2020		% of 2019		Increase/(Decrease)	
	2020	Total	2019	Total	Amount	Percent
Personnel	\$ 628,021	56.13%	\$ 617,252	57.89%	\$ 10,769	1.74%
Fringe	63,985	5.72%	63,116	5.92%	869	1.38%
Travel	10,589	0.95%	14,488	1.36%	(3,899)	-26.91%
Operating Services	135,619	12.12%	115,919	10.87%	19,700	16.99%
Operating Supplies	73,106	6.53%	61,245	5.74%	11,861	19.37%
Other Costs	57,277	5.12%	66,178	6.21%	(8,901)	-13.45%
Full Service	20,517	1.83%	18,286	1.72%	2,231	12.20%
Meals	108,728	9.72%	85,833	8.05%	22,895	26.67%
Capital Outlay	2,973	0.27%	6,368	0.60%	(3,395)	-53.31%
Intergovernmental	18,052	1.61%	17,490	1.64%	562	3.21%
	<u>\$ 1,118,867</u>	100%	<u>\$ 1,066,175</u>	100%	<u>\$ 52,692</u>	4.94%

Personnel expenditures increased this year (\$10,769) primarily due to \$7,568 paid in hazard pay due to COVID-19. The Council usually employs about 32 people at any given time during the year.

Fringe expenditures increased (\$869) this year mainly due to an increase in payroll taxes which parallels the increase in wages.

Travel expenditures decreased this year because less employee travel to provide services was necessary which resulted in a decrease in mileage reimbursements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Operating service expenditures increased \$19,700 or about 17% from last year. Some of the more notable changes included vehicle insurance (\$3,672 increase), yard maintenance (\$3,075 increase), building maintenance (\$10,216 increase), and vehicle maintenance (\$2,981 increase).

Operating supplies expenditures increased by \$11,861, which is about a 19% increase over last year. This increase is primarily related to a \$5,526 increase in vehicle fuel and other vehicle supplies, a \$1,943 increase in office supplies, and a \$4,015 increase in facility supplies.

Other costs decreased by \$8,901 this year, or 13%. Some of the most notable decreases in this category are legal contract (\$1,964), material aid - diapers (\$3,049), conference and training (\$1,255), and recreation for senior centers (\$2,174). This expenditure category is comprised of a variety of costs.

Full service expenditures increased \$2,231 when compared to last year because the Council spent more money on caregiver vouchers (\$2,372) in its Family Caregiver Support program.

Meals expenditures increased by \$22,895 when compared to last year. This year the Council served 16,606 more home-delivered meals (65,929 vs. 49,323) and 7,959 less congregate meals (18,131 vs. 26,090) than it did last year.

Utility assistance services were not provided this year or last year. Since the primary utility assistance program funds were transferred to another entity a few of years ago, the Council has been providing less utility assistance each year.

Capital outlay expenditures were \$2,973 this year. Only one major capital asset was added this year, which was a new steam table and breath guard for the Pine senior center location.

Intergovernmental expenditures include \$18,052 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, \$17,490 was withheld for the same purpose.

AN ANALYSIS OF THE GENERAL FUND BUDGET

The budget was amended twice 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).

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The budgetary comparison schedule for the General Fund is found on page 61. When you review this schedule, you will note that both the original budget and the final amended budget forecasted *break-even* operations. The noteworthy changes between the original budget and the final amended budget are as follows:

- The amount of property tax revenue originally budgeted was \$522,019, whereas on the final amended budget only \$412,261 was forecasted, which is a \$109,758 decrease.
- Another significant change was made to include an additional \$62,500 for the PCOA grant.
- A decrease was made to the expected MIPPA revenue of \$2,400 when the Council realized it would be unable to provide services this year under that grant.
- There were several adjustments made to the various expenditure categories. As a result, the final amended budget total for General Fund expenditures increased by \$12,759. The most notable of the changes was (1) an increase of \$8,886 to the Other Cost category, (2) an increase of \$6,769 to Capital Outlay expenditures, and (3) a decrease of \$3,690 in personnel expenditures.
- Transfers from the General Fund to various special revenue funds were decreased by \$61,746 when the budget was amended to reflect lower costs in those programs. The COVID-19 pandemic caused the Council to reduce its customary services.
- The final budget also includes some proceeds from insurance that were received after the original budget had been prepared. The Council suffered some storm damage and insurance paid for the repairs.

The actual results for the year were favorable when compared to the amended budget. Overall, the Council experienced a net favorable variance of \$181,495. Some of the reasons for the actual results having a net favorable variance with the amended budget are as follows:

- Actual property tax revenues were \$133,667 more than budgeted.
- Interest income was \$10,158 more than expected.
- The rural transportation grant revenue for nonelderly persons was \$41,368 more than budgeted.
- Actual total expenditures were \$70,045 more than budgeted total expenditures. The various components of current expenditures had actual costs that exceeded their respective budgeted amounts. This is to be expected because the allocations of indirect and transportation pool costs are based on the final direct costs recorded in each program. However, the excess costs were not significant.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

- Intergovernmental expenditures were \$2,091 over budget. The Council has no control over how much it is billed for its share of the statewide pension plans. It can only make an estimate based on past history.
- Actual transfers to other programs in the various special revenue funds were \$70,517 less than expected. This means the costs to operate those programs were less than management's expectations. Also, the COVID-19 pandemic caused the Council to curtail its usual services. On the other hand, the General Fund received a \$4,044 transfer from the Title III E Fund at the end of the year, which was not anticipated. This means that the cost to operate that fund's programs were less than expected.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the year, the Council had \$108,984 in capital assets, net of accumulated depreciation, which is a decrease from last year of \$4,208. The decrease is attributable to the current year's asset acquisitions (\$2,973) being less than its depreciation (\$7,181).

	<u>2020</u>	<u>2019</u>	<u>Increase / (Decrease)</u>
Vehicles	\$ -	\$ 600	\$ (600)
Equipment	10,893	10,792	101
Building and Improvements	89,091	92,800	(3,709)
Land	9,000	9,000	-
	<u>\$ 108,984</u>	<u>\$ 113,192</u>	<u>\$ (4,208)</u>

The Council had three vans titled in its name at the end of the fiscal year, which are included in capital assets. All three vans are fully depreciated. In addition, the Council also has the use of eleven additional vans, at year-end, which are owned by the Town of Franklinton or Washington Parish Government (WPG), and are not included in the capital assets of the Council. Five of the eleven vehicles are fully depreciated.

Debt Administration

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

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 2021 and management is unaware of any significant adverse changes to the funding levels or terms of these grants and contracts.

COVID-19 (Coronavirus) has affected the Council most notably in the congregate service areas. Due to the pandemic, the Council has not been able to have any of its normal congregate services (i.e. C1 meals and other activities held at the senior centers), which resulted in a large shift of expenses from the C1 meals program to the C2 meals program. This is expected to continue well into FY21 and will have a significant impact on the number of units served in comparison to past years. Management is unable to assess the quantitative and qualitative impacts that the virus will have on the Council's future operations. However, the Council's management has adapted daily operations to meet the needs of the Parish's elderly population within the current governmental guidelines.

For FY 2021, the Council has budgeted *break-even* operations with revenues of \$1,172,822 and expenditures of \$1,172,822. In setting its budget for fiscal year 2021, it was important to management that at least the same levels of service be delivered to clients and the public as were provided in 2020. There are no plans to add or terminate any programs in 2021. 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 Nancy McBeth, Executive Director at 603 Willis Avenue, Bogalusa, Louisiana 70427, by phone at (985)732-6869, or email at nmcbeth@bellsouth.net.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Exhibit A

Statement of Net Position
Washington Council on the Aging, Inc.
Bogalusa, Louisiana
June 30, 2020

	Governmental Activities
<u>ASSETS</u>	
Current Assets:	
Cash and Investments	\$ 1,160,825
Receivables:	
Property taxes	5,243
Capital Area Agency on Aging	11,115
Washington Parish Government	71,162
Other entities - transportation services	16
Prepaid expenses	1,760
Due from SBET	250
Prepaid expense for vehicle usage - current portion	9,417
Total current assets	1,259,788
Capital Assets:	
Land	9,000
Other capital assets, net of accumulated depreciation	99,984
Total capital assets	108,984
Other Asset - prepaid expense for vehicle usage	13,830
Total Assets	1,382,602
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts payable	43,065
Accrued payroll taxes and related liabilities	3,994
Paycheck Protection Program Loan	125,370
Total current liabilities	172,429
<u>NET POSITION</u>	
Net investment in capital assets	108,984
Restricted for:	
Senior Citizen Activities	1,630
Utility Assistance	8,445
Unrestricted	1,091,114
Total Net Position	\$ 1,210,173

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

Statement of Activities
Washington Council on the Aging, Inc.
Bogalusa, Louisiana
For the year ended June 30, 2020

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	Total Governmental Activities
Governmental Activities						
Health, Welfare & Social Services:						
Supportive Services:						
Transportation of the elderly	\$ 345,946	\$ 112,502	\$ 0	\$ 275,244	\$ 0	\$ (183,204)
Homemaker	89,492	29,690	0	29,455	0	(89,727)
Information and Assistance	17,690	5,869	0	4,240	0	(19,319)
Outreach	6,681	2,217	0	3,545	0	(5,353)
Telephoning	13,230	4,389	0	11,653	0	(5,966)
Medic Alert	2,317	0	0	2,332	0	15
Utility Assistance	0	0	0	845	0	845
Transportation Services - non elderly:						
General Public	98,499	32,111	6,587	71,783	0	(52,240)
Nutrition Services:						
Congregate Meals	96,212	30,692	0	28,844	0	(98,060)
Home Delivered Meals	171,666	21,187	0	97,945	0	(94,908)
Family Caregiver Support	18,435	78	0	22,555	0	4,042
Senior Citizen Activities	14,935	0	0	3,282	0	(11,653)
Administration	238,735	(238,735)	0	0	0	0
Total governmental activities	\$ 1,113,838	\$ -	\$ 6,587	\$ 551,723	\$ 0	(555,528)

General Revenues:

Property taxes, net of \$18,052 withheld by the Sheriff	527,876
Grants and contributions not restricted to specific programs	173,050
Interest income	10,158
Facility rental, net of direct depreciation	5,697
Proceeds from Insurance	6,322
Miscellaneous	295
Total General Revenues	<u>723,398</u>
Increase (Decrease) in net position	167,870
Net position - beginning of the year	<u>1,042,303</u>
Net position - end of the year	<u>\$ 1,210,173</u>

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

FUND FINANCIAL STATEMENTS

**Fund Balance Sheet
Governmental Funds
Washington Council on the Aging, Inc.
Bogalusa, Louisiana
June 30, 2020**

	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	\$ 1,128,804	\$ 0	\$ 907	\$ 31,114	\$ 0	\$ 1,160,825
Receivables:						
Property taxes	5,243	0	0	0	0	5,243
Capital Area Agency on Aging	0	3,682	41	20	7,372	11,115
Washington Parish Government	15,648	55,514	0	0	0	71,162
Other Entities - transportation services	16	0	0	0	0	16
Prepaid expenditures	1,760	0	0	0	0	1,760
Due from SBET	250	0	0	0	0	250
Due from other governmental funds	54,059	0	0	0	0	54,059
Total Assets	\$ 1,205,780	\$ 59,196	\$ 948	\$ 31,134	\$ 7,372	\$ 1,304,430
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 1,930	\$ 6,239	\$ 435	\$ 30,780	\$ 3,681	\$ 43,065
Accrued payroll taxes and related liabilities	538	2,588	513	354	1	3,994
Paycheck Protection Program Loan	125,370	0	0	0	0	125,370
Due to other governmental funds	0	50,369	0	0	3,690	54,059
Total Liabilities	127,838	59,196	948	31,134	7,372	226,488
Fund Balances						
Nonspendable:						
Prepaid expenditures	1,760	0	0	0	0	1,760
Restricted for:						
Utility assistance	8,445	0	0	0	0	8,445
Senior citizen activities	1,630	0	0	0	0	1,630
Unassigned	1,066,107	0	0	0	0	1,066,107
Total Fund Balances	1,077,942	0	0	0	0	1,077,942
Total Liabilities and Fund Balances	\$ 1,205,780	\$ 59,196	\$ 948	\$ 31,134	\$ 7,372	
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						23,247
- Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds						108,984
Net Position of Governmental Activities						\$ 1,210,173

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, 2020

	General Fund	Title III B Fund	Title III C-1 Fund	Title III C-2 Fund	Title III E Fund	Total Governmental Funds
<u>REVENUES</u>						
Property Taxes	\$ 545,928	\$ 0	\$ 0	\$ 0	\$ 0	\$ 545,928
Intergovernmental	242,801	324,562	13,452	78,285	22,555	681,655
Public Support (Restricted)	1,423	1,907	15,392	19,660	0	38,382
Public Support (Unrestricted)	2,032	0	0	0	0	2,032
Program Service Fees (transportation services)	6,587	0	0	0	0	6,587
Interest Income	10,158	0	0	0	0	10,158
Building Rent	6,300	0	0	0	0	6,300
Miscellaneous	2,998	0	0	0	0	2,998
Total revenues	<u>818,227</u>	<u>326,469</u>	<u>28,844</u>	<u>97,945</u>	<u>22,555</u>	<u>1,294,040</u>
<u>EXPENDITURES</u>						
Health, Welfare, & Social Services:						
Current:						
Personnel	78,619	410,760	87,160	51,236	246	628,021
Fringe	7,894	41,211	9,296	5,558	26	63,985
Travel	896	8,471	1,180	42	0	10,589
Operating services	25,843	78,610	14,360	16,786	20	135,619
Operating supplies	14,745	44,776	5,847	7,734	4	73,106
Other costs	13,908	33,426	5,815	4,114	14	57,277
Full service	0	2,316	0	0	18,201	20,517
Meals	0	0	1,846	106,882	0	108,728
Capital Outlay	2,973	0	0	0	0	2,973
Intergovernmental	18,052	0	0	0	0	18,052
Total expenditures	<u>162,930</u>	<u>619,570</u>	<u>125,504</u>	<u>192,352</u>	<u>18,511</u>	<u>1,118,867</u>
Excess of revenues over (under) expenditures	<u>655,297</u>	<u>(293,101)</u>	<u>(96,660)</u>	<u>(94,407)</u>	<u>4,044</u>	<u>175,173</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Proceeds from insurance	6,322	0	0	0	0	6,322
Operating transfers in	4,044	293,101	96,660	94,407	0	488,212
Operating transfers out	<u>(484,168)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(4,044)</u>	<u>(488,212)</u>
Total other financing sources (uses)	<u>(473,802)</u>	<u>293,101</u>	<u>96,660</u>	<u>94,407</u>	<u>(4,044)</u>	<u>6,322</u>
Net increase (decrease) in fund balances	181,495	0	0	0	0	181,495
<u>FUND BALANCE</u>						
Beginning of year	896,447	0	0	0	0	896,447
End of year	<u>\$ 1,077,942</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,077,942</u>

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, 2020**

Net Increase (Decrease) in Fund Balances - Total Governmental Funds	\$ 181,495
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Governmental funds report the amounts the Council expends as local *matching funds* on capital assistance grants, which result in another government obtaining title to the capital assets acquired under the grants, as intergovernmental expenditures. However, because the Council gets to use the capital assets for having paid the required local match, the Council records the amounts it paid in the Statement of Net Position as a prepaid expense, which will be amortized over the estimated useful lives of the capital assets. This reconciling amount represents the amount by which the amortization expense for the use of the capital assets (\$9,417) exceeds the intergovernmental expenditures for matching funds (\$0) this year.

(9,417)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$7,181) exceeds Capital Outlay expenditures (\$2,973) this year.

(4,208)

Increase (Decrease) of Net Position of Governmental Activities	<u>\$ 167,870</u>
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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, 2020

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, 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. Further, 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 2 CFR Part 200 - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (aka the "Supercircular"). The Statement of Activities shows this allocation in a separate column labeled *indirect expenses*.

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 instead as general revenues in this statement. If a function or program has a net cost, then it was supported in some manner by the Council's general revenues. Special items, if any, are significant transactions within the control of management that are either unusual in nature or infrequent in occurrence and are separately reported below general revenues. The Council did not have any special items this year.

Fund Financial Statements:

The fund financial statements (Exhibits C and D) present financial information 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 has included the Title III E Fund as a major fund despite it not having met the quantitative criteria to be a major fund. 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 \$91,469 of the funds to the Title IIIB Fund and \$8,531 to the Title III C-2 Fund to subsidize those funds' program expenditures.

Senior Center and Supplemental Senior Center Funding

Senior Center and supplemental senior center grant funds are also appropriated annually for the Council and remitted to the Council via GOEA. These grant funds can be used at management's discretion to pay for congregate type services of any program involving elderly persons who are at least 60 years old. Accordingly, these funds are initially received by the Council's General Fund 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 to the Title IIIB Fund (\$44,039) and the Title III C-2 Fund (\$16,066) to help subsidize the cost of providing needed services in those funds. In addition, all Supplemental Senior Center grant #1 funds (\$3,100) and a portion of grant #2 funds (\$7,161) were also transferred to the Title IIIB Fund, whereas the remaining \$651 of grant #2 funds were transferred to the Title III C-2 Fund.

Medicare Improvement for Patients and Providers Act (MIPPA) Program

The MIPPA program funds are accounted for within the Council's General Fund. The purpose of this program is to provide education and enrollment assistance with regards to the Medicare Improvements for Patients and Provider's Act of 2008 to persons eligible to receive Medicare benefits. The Council did not provide this type of service during this fiscal year, so no funds related to this program were received.

Nonelderly General Public Transportation Program

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

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

- Transporting people who individually paid a cash fare for the service. Passengers are charged a fee per one-way trip based on the distance of the trip. This transportation service generated \$3,048 of program service fees.
- Transporting people on behalf of various entities. The services it provided these entities generated \$3,539 of program service fees.

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 22%) was used to pay for the rural transportation costs for nonelderly riders and that amount (\$67,583) 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 \$845 of contributions from WST to help with utility assistance. However, the Council did not expend any money this year to provide direct financial assistance to anyone who needed it.

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. 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:

<u>Type of Service Provided</u>	<u>Units</u>
Information and Assistance	886
Outreach	265
Homemaker	3,581
Telephoning	9,632
Transportation for people age 60 or older	9,007
Medical Alert	99

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

- A grant from GOEA via CAAA for *Special Programs for the Aging _ Title III, Part B_ Grants for Supportive Services and Senior Centers* (\$84,835).
- 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 50% of the cost of providing rural transportation services. A portion of this grant (about 78%) was used to pay for the rural transportation costs for elderly riders and that amount (\$239,727) has been recorded directly as revenue in this fund.
- Restricted, voluntary public support (\$1,907) 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 18,131 meals and 162 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 grant from CAAA for *Special Programs for the Aging _ Title III, Part C-1 _ Nutrition Services* (\$13,452).
- Restricted, voluntary public support (\$15,392) 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 65,929 home-delivered meals and 212 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 grant from CAAA for *Special Programs for the Aging – Title III, Part C-2 – Nutrition Services* (\$71,325).
- A grant from United Way/FEMA to help pay for home delivered meals (\$6,960).
- Restricted, voluntary public support (\$4,660) from those persons who received home-delivered meals.
- Restricted, voluntary public support (\$15,000) from two local businesses to pay for meals due to the COVID-19 pandemic.

Title III E Fund

The Title III E Fund is used to account for funds relating to the National Family Caregiver Support program, which is designed to provide multifaceted systems of support services for family caregivers and for grandparents or older individuals who are related caregivers. During the year, the Council reported to CAAA that it provided 5 units of information and assistance and 1,741 units of in-home respite under this program. The source of the revenue forming the basis for this fund is a grant (\$22,555) the Council received from GOEA via CAAA for the *Title III, Part E National Family Caregivers Support Program*.

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 \$10,075 of restricted cash. The Council has presented restricted cash as a component of current assets in the Statement of Net Position because it is available for use in current operations.

g. Receivables

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

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

h. Investments

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

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

However, the Council invested funds in the Louisiana Asset Management Pool (LAMP). LAMP is a local government 2a7-like investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate

funds for investment. A 2a7-like pool is an external investment pool that is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940. However, LAMP, Inc. is subject to regulatory oversight by the state treasurer and its board of directors. For financial statement purposes, LAMP investments are valued and reported at fair value based on quoted market rates. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares sold and redeemed, investments are valued at amortized cost. LAMP seeks to maintain a stable net asset value of \$1.00 per unit, but there are no assurances that LAMP will be able to always achieve this objective. Because of its liquidity, the balance in the LAMP account is classified as a current asset on the Statement of Net Position.

i. Prepaid Expenses & Expenditures

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

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

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

transportation expenses in the Statement of Activities. In contrast, 100% of the *matching* payments are reported in the fund financial statements as intergovernmental expenditures when the vehicles are received.

j. Capital Assets:

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

k. Non-Current (Long-term) Liabilities

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

l. Unpaid Compensated Absences

The Council's annual leave policy requires employees to consume any annual leave they might earn within the Council's fiscal year. In other words, an employee must *use or lose* any earned leave on or before June 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 Revenue Other Than Property Taxes

The Council reports deferred revenues on both the Statement of Net Position (government-wide) and the Balance Sheet (fund financial statements). Deferred revenues arise when the Council receives resources before it has a legal claim to them, as when grant monies are received before the occurrence of qualifying expenditures. In subsequent periods, when the Council has a legal claim to the resources, the liability for deferred revenue is removed from the Statement of Net Position and the Balance Sheet, whichever the case might be, and the revenue is recognized. The

Council had no deferred revenue at year-end.

n. 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, 2020 for the 2019 property tax assessment will be immaterial.

o. 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

p. Deferred Outflows and Inflows of Resources

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

q. 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.

r. 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.

s. 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.

t. 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.

u. Elimination and Reclassifications

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

Note 2 - Revenue Recognition

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

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

Note 3 - Revenue Recognition - Property Tax

During fiscal year 2009, the Council began receiving funds from a property tax that was adopted by the voters of Washington Parish on November 14, 2007, to specifically provide money to finance the Council's operations. The Washington Parish Assessor began assessing the property tax in 2008 and will continue to do so every year because

the tax is perpetual and has no expiration date. The tax is based upon the assessed (appraised) value, less homestead exemptions, on all real and business personal property located within the Parish. The 1st day of January is used as the date to value the property subject to tax and make the annual assessment.

The gross assessed value as of January 1, 2019, of the certified roll was \$254,754,320. After applying homestead exemptions of \$61,497,910 the net assessed value upon which the Council's property tax was computed was \$193,256,410. 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 2.8 mills for tax year 2019. Accordingly, management estimated the initial gross amount of property tax owed to the Council for this fiscal year to be approximately \$541,118. However, the original amount of property tax revenue was later adjusted to \$537,611 by the Sheriff's office to reflect supplements, reductions, and additional adjudicated/exempt taxes. In addition, the Council collected \$8,317 of prior years' property taxes, previously written off, which resulted in total property tax revenue of \$545,928 being recognized this year's financial statements. The Council did not write-off any amount for uncollected property taxes this year.

Property taxes are levied in November and are considered delinquent if not paid by December 31. Most of the property taxes are collected during the months of December, January, and February. The Washington Parish Sheriff (Sheriff's office) 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 2019 tax assessment was July 22, 2020 and the tax liens were recorded July 28, 2020.

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 2020 were accrued as this year's revenues. The Council did not present any amounts this year as deferred property tax revenue because management estimates this amount only to be about \$1,292, which is immaterial to these financial statements.

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 \$545,928 on the fund financial Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit D) have not been reduced by \$18,052 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 \$18,052 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 \$545,928 were reduced by the \$18,052 of *on-behalf payments* to present a net amount of \$527,876 for general revenues. See Note 9 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 \$289,190 and the corresponding bank balances totaled \$291,387. The current FDIC coverage is \$250,000 per bank, therefore, \$41,387 of the Council's bank balances were uninsured at year-end. However, the bank pledged securities that had a market value at June 30, 2020, of \$538,985 to cover the uninsured bank balances to comply with state law and the Council's

policy. These securities are being held in a collateral account in the name of the Council at a Federal Reserve Bank.

During the year, the Council might accumulate cash in excess of its immediate needs. To maximize its revenues, the Council's management will invest the excess cash and it has adopted an investment policy that is intended to follow Louisiana Revised Statute 33:2955, which sets forth a list of the types of investments in which a political subdivision may invest its temporarily idle funds. At year-end, the Council's management had invested \$871,635 in a Louisiana Asset Management Pool (LAMP) account. This type of investment complies with state law and the Council's investment policy.

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

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

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

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Exhibit F - Continued

- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is generally restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM (to reset) for LAMP's total investments is 47 days and the WAM (to final) is 100 days as of June 30, 2020.
- Foreign currency risk: Not applicable to 2a7-like pools.

At June 30, 2020, the Council's cash and investments consisted of the following:

<u>Cash & Investments</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Credit Risk Category</u>
Cash:					
Hancock Whitney Bank - operating	\$ 289,053	\$ 289,053	None	Demand	Category 1
Hancock Whitney Bank - EFSP	137	137	None	Demand	Category 1
Total Cash	289,190	289,190			
Investments:					
LAMP	871,635	871,635	0.45%	Demand	N/A
Total Investments	871,635	871,635			
Total Cash & Investments	\$ 1,160,825	\$ 1,160,825			
Unrestricted Purpose	\$ 1,150,750				
Restricted Purpose:					
Senior Citizen Activities	1,630				
Utility Assistance	8,445				
Total Cash & Investments	\$ 1,160,825				

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, 2019	Additions	Decreases	Balance June 30, 2020
Vehicles	\$ 45,566	\$ 0	\$ 0	\$ 45,566
Equipment	43,000	2,973	0	45,973
Buildings & Improvements	193,368	0	0	193,368
Total Capital Assets	281,934	2,973	0	284,907
Less Accumulated Depreciation:				
Vehicles	44,966	600	0	45,566
Equipment	32,208	2,872	0	35,080
Buildings & Improvements	100,568	3,709	0	104,277
Total Accumulated Depreciation	177,742	7,181	0	184,923
Capital Assets Net of Depreciation	\$ 104,192	\$ (4,208)	\$ 0	\$ 99,984

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	\$ 5,573
Supportive Services:	
Transportation of the Elderly	257
Nutrition Services:	
Congregate Meals	675
Home-delivered Meals	-
Transportation Services - Nonelderly	73
Direct offset against rental income	<u>603</u>
Total depreciation expense	<u>\$ 7,181</u>

The \$7,181 of depreciation associated with the administration function relates to capital assets that essentially serve all functions. Accordingly, it is included as a direct expense of the administration function on the Statement of Activities and then allocated to other functions in accordance with the Council's method of allocating indirect expenses. The supportive, nutrition, and transportation service depreciation amounts are charged as direct expenses to their related programs on the Statement of Activities. Finally, the depreciation of \$603 related to the building that is being rented is offset against the rental

income generated by the building, which is not a distinct program of the Council but merely an activity to generate general revenues.

Note 6 - Prepaid Expenditures and Expenses

At year-end, there were \$1,760 of prepaid expenditures related to training courses in the Balance Sheet (Exhibit C).

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

	<u>Current</u> <u>Portion</u>	<u>Noncurrent</u> <u>Portion</u>
Prepaid training classes	\$ 1,760	\$ -
Prepaid vehicle usage	9,417	13,830
Total prepaid expenses	<u>\$ 11,177</u>	<u>\$ 13,830</u>

The current portion of prepaid expenses represents the amount that management expects the Council to consume and economically benefit from in the next fiscal year. The noncurrent portion represents the amount that will be amortized in future years.

The difference, if any, between prepaid expenditures and prepaid expenses arises from transactions wherein the Council has put up (in previous years) *matching funds* under capital assistance grants the Washington Parish Government (WPG) entered into with the Louisiana Department of Transportation and Development (DOTD) to acquire vehicles. The vehicles are titled in the name of the WPG, but the Council uses the vehicles for its transportation programs and must pay for all the operating costs. The funds the Council expends as *matching funds* are first recorded as van deposits in its Fund Balance Sheet when the funds are remitted to DOTD. Upon delivery of the vehicles to the COA, the deposits are reversed as intergovernmental expenditures in the Council's fund financial statements. However, in the government-wide financial statements, the *matching funds* are classified as prepaid expenses and amortized over the estimated useful lives of the vehicles (100,000 miles - approximately 60 months). The Council's management believes presenting the matching transactions in this manner in the government-wide financial statements best presents the economics of the transactions. The WPG and the Council have a written agreement that sets forth the responsibilities of the Council as a subrecipient of FTA/DOTD funds passed through the WPG to the Council relating to the rural transportation program and the use of the WPG's vehicles. This type of cooperative endeavor agreement has been used for many years to provide general public transportation in Washington Parish.

Note 7 - Paycheck Protection Program (PPP) Loan

On May 6, 2020, the Council received loan proceeds of \$125,370 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, employee benefits, rent and utilities, and maintains its workforce levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four-week period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Council intends to use the proceeds for purposes consistent with the PPP. While the Council currently believes that its use of the loan proceeds will meet the conditions for full forgiveness of the loan, the Council had not yet fulfilled the twenty-four-week period as of June 30, 2020. Accordingly, the application to apply for loan forgiveness will be submitted during the next fiscal year and the final determination of loan forgiveness will be made at that time.

Note 8 - Fund Balances - Fund Financial Statements

At year-end, the General Fund has restricted funds for senior citizen activities (\$1,630) and utility assistance (\$8,445).

None of the special revenue funds had any fund balance at June 30, 2020. Typically, these fund balances are cleared at year-end to comply with the terms of the grants that provide money to these funds.

Note 9 - 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 \$18,052 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 2020:

Assessor's Retirement Fund	\$ 2,092
Clerks' of Court Retirement & Relief Fund	1,588
District Attorney's Retirement System	1,270
Municipal Employees' Retirement System	1,588
Parochial Employees' Retirement System	1,588
Registrar of Voters Employees' Retirement System	397
Sheriffs' Pension & Relief Fund	3,176
Teachers' Retirement System	6,353
	<u>\$ 18,052</u>

Note 10 - 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 meal site to be \$250 per month and the Council has continued to use this value each year. If this in-kind contribution had been recorded in the Statement of Activities its annual allocation would have been \$3,000 for Nutrition Services - Congregate Meals. The Council also received an in-kind contribution in the form of free rent and utilities at its Bogalusa senior center from the City of Bogalusa. In a letter dated July 1, 2005 the City's mayor valued these free services at \$1,500 per month. In addition, the City permits the Council to house its vans on the premises and the mayor also estimated the value of the *garage fee* to be \$350 per month. The Bogalusa senior center is the main location from which the Council operates its transportation programs. Accordingly, \$1,850 per month (\$22,200 annually) of in-kind donations from the City has been attributed to the Council's transportation programs since July 1, 2005.

The Council also receives in-kind support for its transportation programs in the form of free usage of vehicles owned by another governmental entity (either the Town of Franklinton or the Washington Parish Government). The vehicles owned by the other governmental entities were all acquired under capital assistance grants wherein the federal government paid for 80% to 100% of the vehicle's cost and the remainder, if any, had to be paid for by the Council with local *matching* funds. In return for putting up the matching funds, the other entities permit the Council to use the vehicles. Therefore, the Council is receiving an in-kind contribution from the other governmental entities represented by a portion of the cost of the vehicles paid directly by the federal government. Management has estimated the in-kind use of the other governmental entities' vehicles to be \$58,345 for the fiscal year. The estimate was derived by first determining the amount the federal government paid for its share of the cost for the vehicles. Then, the amount of *federal match* for each vehicle was amortized from the date at which the Council began using each vehicle using a 5 year (approximately 100,000 miles) estimated useful life. The amount for the period July 1, 2019, through June 30, 2020, was deemed to be the value of the in-kind contribution for vehicle usage. If the in-kind contribution for the vehicles had been recorded in the Statement of Activities, the allocation of the value of the contribution amongst the Council's transportation programs would have been \$40,895 for Elderly Transportation and \$17,450 for Nonelderly Transportation.

Note 11 - 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 12 - 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 13 - Judgments, Claims, and Similar Contingencies

As of June 30, 2020, 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 14 - 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 15 - 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 Capital Area Agency on Aging (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 of revenues the Council receives from its grants for next year.

Note 16 - 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 a \$1,000 deductible to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. No settlements were made during the current or prior three fiscal years that exceeded the Council's insurance coverage.

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

Note 17 - 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, \$4,940 was contributed to the Plan via employee salary deferrals. The Council contributed \$1,937 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 18 - 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 10 (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 January 13, 2017 and requires the Council to pay \$110.21 per month for 60 months beginning in February 2017. The Franklinton lease was signed on July 26, 2016 and requires the Council to pay \$108.93 per month for 60 months beginning in September 2016. 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 2020, the Council paid \$2,739 in monthly rent charges under these leases.

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

Fiscal Year	Amount
2021	2,629
2022	989
Total minimum future lease payments	<u>\$ 3,618</u>

Note 19 - Interfund Receivables and Payables - Fund Financial Statements

Because the Council operates its programs under cost reimbursement type grants, it has

Exhibit F - Continued

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	\$ 50,369	\$ 0
Title III E	3,690	0
Totals for the General Fund	<u>54,059</u>	<u>0</u>
Special Revenue Funds:		
Major Funds:		
Title III B:		
General Fund	0	50,369
Title III E:		
General Fund	0	3,690
Totals for Special Revenue Funds	<u>0</u>	<u>54,059</u>
Totals for All Funds	<u><u>\$ 54,059</u></u>	<u><u>\$ 54,059</u></u>

Note 20 - 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	\$ 293,101
Title III C-1 Fund	0	96,660
Title III C-2 Fund	0	94,407
Title III E Fund	4,044	0
Total General Fund	<u>4,044</u>	<u>484,168</u>
Title III B-Fund:		
General Fund - Various Local Funds	\$ 147,332	\$ 0
General Fund - Senior Center Grant - primary	44,039	0
General Fund - Suppl. Senior Center Grant #1	3,100	0
General Fund - Suppl. Senior Center Grant #2	7,161	0
General Fund - PCOA Grant	91,469	0
Total Title III B Fund	<u>293,101</u>	<u>0</u>
Title III C-1 Fund:		
General Fund - Various Local Funds	\$ 96,660	\$ 0
Total Title III C-1 Fund	<u>96,660</u>	<u>0</u>
Title III C-2 Fund:		
General Fund - Various Local Funds	\$ 69,159	\$ 0
General Fund - PCOA Grant	8,531	0
General Fund - Senior Center Grant - primary	16,066	0
General Fund - Suppl. Senior Center Grant #2	651	0
Total Title III C-2 Fund	<u>94,407</u>	<u>0</u>
Title III E Fund:		
General Fund	\$ 0	\$ 4,044
Total for Title III E Fund	<u>0</u>	<u>4,044</u>
Grand Totals	<u>\$ 488,212</u>	<u>\$ 488,212</u>

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 21 - Related Party Transactions

There were no related party transactions during the fiscal year.

Note 22 - 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, 2020.

Note 23 - Subsequent Events

Management has evaluated subsequent events through November 20, 2020, 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, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final (Amended)	Modified Accrual Basis	Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ 522,019	\$ 412,261	\$ 545,928	\$ 133,667
Intergovernmental:				
Governor's Office of Elderly Affairs:				
PCOA	37,500	100,000	100,000	0
Senior Center - primary grant	60,105	60,105	60,105	0
Supplemental Senior Center #1	3,100	3,100	3,100	0
Supplemental Senior Center #2	7,812	7,812	7,813	1
MIPPA	2,400	0	0	0
Washington Parish Government	28,576	30,415	71,783	41,368
Public Support - restricted	0	0	1,423	1,423
Public Support - unrestricted	12,072	7,679	2,032	(5,647)
Program Service Fees - transportation services	16,973	6,490	6,587	97
Interest Income	0	0	10,158	10,158
Building Rent	6,000	6,000	6,300	300
Miscellaneous	0	9,010	2,998	(6,012)
Total Revenues	696,557	642,872	818,227	175,355
EXPENDITURES				
Current:				
Personnel	34,157	30,467	78,619	(48,152)
Fringe	3,670	3,240	7,894	(4,654)
Travel	281	279	896	(617)
Operating Services	9,132	8,756	25,843	(17,087)
Operating Supplies	7,012	8,103	14,745	(6,642)
Other Costs	10,423	19,309	13,908	5,401
Capital Outlay	0	6,769	2,973	3,796
Intergovernmental	15,451	15,961	18,052	(2,091)
Total Expenditures	80,126	92,885	162,930	(70,045)
Excess of revenues over expenditures	616,431	549,987	655,297	105,310
OTHER FINANCING SOURCES (USES)				
Proceeds from insurance	0	4,698	6,322	1,624
Transfers in	0	0	4,044	4,044
Transfers out	(616,431)	(554,685)	(484,168)	70,517
Total other financing sources (uses)	(616,431)	(549,987)	(473,802)	76,185
Net increase (decrease) in fund balance	\$ 0	\$ 0	181,495	\$ 181,495
FUND BALANCE				
Beginning of year			896,447	
End of year			\$ 1,077,942	

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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final (Amended)</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>Modified</u>	<u>Favorable</u>
			<u>Accrual Basis</u>	<u>(Unfavorable)</u>
<u>REVENUES</u>				
Intergovernmental:				
Capital Area Agency on Aging	\$ 82,286	\$ 82,286	\$ 84,835	\$ 2,549
Washington Parish Government	221,351	252,961	239,727	(13,234)
Public Support - restricted (client contributions)	5,504	1,874	1,907	33
Total Revenues	309,141	337,121	326,469	(10,652)
<u>EXPENDITURES</u>				
Current:				
Personnel	455,744	450,507	410,760	39,747
Fringe	48,802	47,713	41,211	6,502
Travel	14,046	9,595	8,471	1,124
Operating Services	96,248	94,530	78,610	15,920
Operating Supplies	48,370	52,603	44,776	7,827
Other Costs	42,205	43,225	33,426	9,799
Full Service	2,404	2,404	2,316	88
Capital Outlay	0	0	0	0
Total Expenditures	707,819	700,576	619,570	81,006
Excess of expenditures over revenues	(398,678)	(363,455)	(293,101)	70,354
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	398,678	363,455	293,101	(70,354)
Transfers out	0	0	0	0
Total other financing sources (uses)	398,678	363,455	293,101	(70,354)
Net increase (decrease) in fund balance	\$ (0)	\$ (0)	0	\$ 0
<u>FUND BALANCE</u>				
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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final (Amended)</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>Modified</u>	<u>Favorable</u>
			<u>Accrual Basis</u>	<u>(Unfavorable)</u>
<u>REVENUES</u>				
Intergovernmental:				
Capital Area Agency on Aging	\$ 17,521	\$ 13,452	\$ 13,452	\$ 0
Public Support - restricted (client contributions)	18,500	13,523	15,392	1,869
Total Revenues	36,021	26,975	28,844	1,869
<u>EXPENDITURES</u>				
Current:				
Personnel	97,053	71,388	87,160	(15,772)
Fringe	10,536	7,693	9,296	(1,603)
Travel	1,279	1,813	1,180	633
Operating Services	18,264	16,823	14,360	2,463
Operating Supplies	6,255	7,927	5,847	2,080
Other Costs	7,852	6,513	5,815	698
Meals	1,000	0	1,846	(1,846)
Capital Outlay	0	0	0	0
Total Expenditures	142,239	112,157	125,504	(13,347)
Excess of expenditures over revenues	(106,218)	(85,182)	(96,660)	(11,478)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	106,218	85,182	96,660	11,478
Transfers out	0	0	0	0
Total other financing sources (uses)	106,218	85,182	96,660	11,478
Net increase (decrease) in fund balance	\$ 0	\$ 0	0	\$ 0
<u>FUND BALANCE</u>				
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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final (Amended)</u>	<u>Modified Accrual Basis</u>	<u>Final Budget Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Intergovernmental:				
Capital Area Agency on Aging	\$ 45,090	\$ 71,325	\$ 71,325	\$ 0
United Way of America	7,000	3,543	6,960	3,417
Public Support - restricted:				
Client contributions	6,000	4,604	4,660	56
Local business donations for COVID-19	0	15,000	15,000	0
Total Revenues	58,090	94,472	97,945	3,473
<u>EXPENDITURES</u>				
Current:				
Personnel	43,292	70,358	51,236	19,122
Fringe	5,225	8,042	5,558	2,484
Travel	43	63	42	21
Operating Services	14,662	17,405	16,786	619
Operating Supplies	8,534	9,206	7,734	1,472
Other Costs	4,294	6,427	4,114	2,313
Meals	92,481	88,904	106,882	(17,978)
Capital Outlay	0	0	0	0
Total Expenditures	168,531	200,405	192,352	8,053
Excess of expenditures over revenues	(110,441)	(105,933)	(94,407)	11,526
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	110,441	105,933	94,407	(11,526)
Transfers out	0	0	0	0
Total other financing sources (uses)	110,441	105,933	94,407	(11,526)
Net increase (decrease) in fund balance	\$ 0	\$ 0	0	\$ 0
<u>FUND BALANCE</u>				
Beginning of year			0	
End of year			<u>\$ 0</u>	

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final (Amended)</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>Modified</u>	<u>Favorable</u>
			<u>Accrual Basis</u>	<u>(Unfavorable)</u>
<u>REVENUES</u>				
Intergovernmental:				
Capital Area Agency on Aging	\$ 37,349	\$ 15,183	\$ 22,555	\$ 7,372
Total Revenues	37,349	15,183	22,555	7,372
<u>EXPENDITURES</u>				
Current:				
Personnel	2,254	50	246	(196)
Fringe	241	4	26	(22)
Travel	2	325	0	325
Operating Services	195	29	20	9
Operating Supplies	46	7	4	3
Other Costs	156	25	14	11
Full Service	35,549	14,858	18,201	(3,343)
Capital Outlay	0	0	0	0
Total Expenditures	38,443	15,298	18,511	(3,213)
Excess of revenues over (under) expenditures	(1,094)	(115)	4,044	4,159
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	1,094	115	0	(115)
Transfers out	0	0	(4,044)	(4,044)
Total other financing sources (uses)	1,094	115	(4,044)	(4,159)
Net increase (decrease) in fund balance	\$ 0	\$ 0	0	\$ 0
<u>FUND BALANCE</u>				
Beginning of year			0	
End of year			\$ 0	

See notes to required supplementary information

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Washington Council on the Aging, Inc.

Bogalusa, Louisiana

For the year ended June 30, 2020

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 2020 was approved by the board on March 22, 2019.
- The adopted budget is forwarded to CAAA for compliance approval for the funds that agency will pass through to the Council from GOEA.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - Continued

- 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 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 twice. The Council's Board of Directors approved the first budget amendment for FY 2020 at a special board meeting on January 24, 2020 and the second amendment (final) at a regular board meeting on June 5, 2020. The budget amendments were 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.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - Continued

- The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some activities may not be budgeted, particularly if they are deemed to be immaterial by management.

SUPPLEMENTARY FINANCIAL INFORMATION FOR GOEA ANALYSIS

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

**Washington Council on the Aging, Inc.
Bogalusa, Louisiana
For the year ended June 30, 2020**

	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
<u>Capital Assets</u>				
Vehicles	\$ 45,566	\$ 0	\$ 0	\$ 45,566
Equipment	43,000	2,973	0	45,973
Buildings & improvements	193,368	0	0	193,368
Land	9,000	0	0	9,000
Total capital assets	<u>\$ 290,934</u>	<u>\$ 2,973</u>	<u>\$ 0</u>	<u>\$ 293,907</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	61,595	0	0	61,595
Senior Center	840	0	0	840
Local	173,855	2,973	0	176,828
Donated by Other COAs	3,000	0	0	3,000
Acquired before 1985	45,000	0	0	45,000
Total investment in capital assets	<u>\$ 290,934</u>	<u>\$ 2,973</u>	<u>\$ 0</u>	<u>\$ 293,907</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, 2020**

Executive Director's (Agency Head) Name: Nancy McBeth

Purpose	Amount
Salary	\$ 51,636.00
Benefits-insurance (health and life)	
Benefits-retirement	260.00
Benefits-other (describe) - FICA, LUTA, WORKER'S COMP	3,932.97
Travel	556.29
Registration fees	0
Conference travel	0

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
Society of Louisiana Certified Public Accountants



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

18435 HIGHWAY 22, STE. 2
P.O. BOX 1151
PONCHATOULA, LA 70454
(985) 386-5740 • FAX (985) 386-5742

29644 SOUTH MONTPELIER AVE., STE. B
P.O. BOX 520
ALBANY, LA 70711
(225) 209-6627 • FAX (225) 209-6625

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, 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued my report thereon dated November 20, 2020.

Internal Control over Financial Reporting

In planning and performing my 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
Ponchatoula, Louisiana
November 20, 2020

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Washington Council on the Aging, Inc.
Bogalusa, Louisiana
For the year ended June 30, 2020

SUMMARY OF AUDITOR'S REPORTS

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

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
Washington Council on the Aging, Inc.
Bogalusa, Louisiana
For the year ended June 30, 2020

Financial Statement Findings

The auditor did not report any financial statement findings in his audit of the Council's FY 2019 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, 2020

To the following oversight agencies for audit:

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

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

Name and address of independent public accounting firm: Hebert Johnson & Associates, Inc.,
18435 Hwy 22, Suite 2, Ponchatoula, LA 70454.

Audit period: For the year ended June 30, 2020.

The findings from the June 30, 2020 schedule of findings and questioned costs are discussed below.

FINANCIAL STATEMENT FINDINGS

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

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