

Webster Voluntary Council on Aging, Inc.  
Minden, Louisiana

Financial Statements  
For the Year Then Ended June 30, 2023

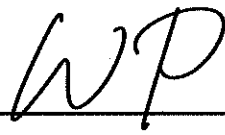
Webster Voluntary Council on Aging, Inc.  
 Financial Statements  
 For the Year Ended June 30, 2023  
 With Supplemental Information Schedules

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**Wade & Perry, CPAs**  
A Professional Accounting Corporation  
Members: AICPA/ Society of LCPA's

Independent Auditor's Report

Board of Directors  
Webster Voluntary Council on Aging, Inc.  
Minden, LA

*Opinion*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Webster Voluntary Council on Aging, Inc. ("Council") as of June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Council as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Basis for Opinions*

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

*Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

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

#### *Required Supplementary Information*

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States requires to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 27 to 30 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 inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The schedule of compensation, benefits, and other payments to agency head and schedule of capital assets and changes in capital assets are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated March 8, 2024, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on 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.



Ruston, Louisiana  
March 8, 2024

## Statement A

Webster Voluntary Council on Aging, Inc.  
Statement of Net Position  
June 30, 2023

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and equivalents	\$220,391
Receivables	0
Other assets	2,638
Capital assets (net)	<u>1,597,863</u>
<b>TOTAL ASSETS</b>	<b><u>\$1,820,892</u></b>
Deferred outflows of resources	0
<b>LIABILITIES</b>	
Accounts payable	\$3,821
Payroll liabilities	17,155
Long-term liabilities - compensated absences payable	<u>22,037</u>
<b>TOTAL LIABILITIES</b>	<b><u>43,013</u></b>
Deferred inflows of resources	0
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	1,597,863
Restricted for NSIP	0
Unrestricted	<u>180,016</u>
<b>TOTAL NET POSITION</b>	<b><u>\$1,777,879</u></b>

The accompanying notes are an integral part of this statement.

Webster Voluntary of Council on Aging, Inc.  
Statement of Activities  
Year Ended June 30, 2023

	<u>Direct Expenses</u>	<u>Indirect Expenses</u>	<u>Program Revenues  Operating Grants and Contributions</u>	<u>Net (Expenses) Revenues and Increases (Decreases) in Net Position</u>
Governmental Activities:				
Health, Welfare & Social Services				
Supporting services:				
Homemaker	\$71,374	\$38,181	\$78,397	(\$31,158)
Information and assistance	6,958	3,535		(10,493)
Outreach	3,691	1,989		(5,680)
Legal assistance	2,800	1,509		(4,309)
Transportation	39,951	21,212	930	(60,233)
Other services	6,429	3,465		(9,894)
Nutrition services:				
Congregate meals	62,682	158,645	119,722	(101,605)
Home-delivered meals	113,422	169,191	121,578	(161,035)
Disease Prevention and Health Promotion	694	12,866	4,400	(9,160)
National Family Caregiver Support	29,307	408	29,715	0
American Rescue Plan Act	0		74,566	74,566
Administration	537,398	(411,000)	59,836	(66,562)
Total governmental activities	<u>\$874,706</u>	<u>\$0</u>	<u>\$489,144</u>	<u>(\$385,562)</u>
General revenues:				
Grants and contributions not restricted				227,798
Interest income				239
Total general revenues and transfers				<u>228,037</u>
Change in Net Position				(157,525)
Net Position - beginning				<u>1,935,404</u>
Net Position - ending				<u>\$1,777,879</u>

The accompanying notes are an integral part of this statement.



Webster Voluntary of Council on Aging, Inc.  
 Balance Sheet, Governmental Funds  
 June 30, 2023

	General Fund	Title IIB	Title IIC-1	Title IIC-2	Non-Major Funds	Total
<b>ASSETS</b>						
Cash and equivalents	\$220,391					\$220,391
Receivables						0
Due from other funds	1,266	143	42	168		1,619
Other assets	168	369	818	1,055	228	2,638
<b>TOTAL ASSETS</b>	<b>\$221,825</b>	<b>\$512</b>	<b>\$860</b>	<b>\$1,223</b>	<b>\$228</b>	<b>\$224,648</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payables	\$1,148	\$512	\$860	\$1,223	\$78	\$3,821
Payroll liabilities	17,155					17,155
Due to other funds	1,469				150	1,619
<b>Total liabilities</b>	<b>19,772</b>	<b>512</b>	<b>860</b>	<b>1,223</b>	<b>228</b>	<b>22,595</b>
<b>Fund balances:</b>						
Nonspendable - prepaid expenses						0
Restricted						0
Unassigned	202,053					202,053
<b>Total fund balances</b>	<b>202,053</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>202,053</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$221,825</b>	<b>\$512</b>	<b>\$860</b>	<b>\$1,223</b>	<b>\$228</b>	<b>\$224,648</b>

The accompanying notes are an integral part of this statement.

Webster Voluntary of Council on Aging, Inc.  
 Reconciliation of The Governmental Funds Balance Sheet  
 to The Government-Wide Financial Statement of Net Position  
 June 30, 2023

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund balances, Total governmental funds (Statement C)		\$202,053
Long-term liabilities applicable to the Council's governmental activities are not due and payable in the current period and, therefore, are not reported as fund liabilities in the governmental funds		
Compensated absences		(22,037)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	\$2,229,214	
Less accumulated depreciation	<u>(631,351)</u>	<u>1,597,863</u>
Net Position of Governmental Activities (Statement A)		<u>\$1,777,879</u>

The accompanying notes are an integral part of this statement.

Webster Voluntary of Council on Aging, Inc.  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Governmental Funds  
For the Year Ended June 30, 2023

	General	Title III B	Title III C-1	Title III C-2	Non-Major Funds	Total
<b>REVENUES</b>						
Intergovernmental:						
Governor's Office of Elderly Affairs	\$227,798	\$72,491	\$100,000	\$110,455	\$34,115	\$544,859
Grants					103,140	103,140
Local funds						0
Public Support:						
Unrestricted	31,262					31,262
Restricted		6,836	19,722	11,123		37,681
Interest income	239					239
Total Revenues	<u>259,299</u>	<u>79,327</u>	<u>119,722</u>	<u>121,578</u>	<u>137,255</u>	<u>717,181</u>
<b>EXPENDITURES</b>						
Health, Welfare & Social Services:						
Salaries	17,617	134,330	110,953	96,121	27,604	386,625
Fringe	1,338	10,334	8,478	7,339	2,175	29,664
Travel	436	26,006	227	2,972	60	29,701
Operating Services	18,299	26,079	40,215	60,762	13,274	158,629
Operating Supplies	1,984	4,806	5,098	10,225	135	22,248
Other costs	10	5	78	100	27	220
Meals			56,279	105,094		161,373
Capital outlay			689	1,609		2,298
Total Expenditures	<u>39,684</u>	<u>201,560</u>	<u>222,017</u>	<u>284,222</u>	<u>43,275</u>	<u>790,758</u>
Excess (Deficiency) of Revenues over (under) Expenditures	219,615	(122,233)	(102,295)	(162,644)	93,980	(73,577)
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in		122,233	102,295	162,644	11,597	398,769
Operating transfers out	(293,192)				(105,577)	(398,769)
Total Other Financing Sources (Uses)	<u>(293,192)</u>	<u>122,233</u>	<u>102,295</u>	<u>162,644</u>	<u>(93,980)</u>	<u>0</u>
Net Change in Fund Balance	(73,577)	0	0	0	0	(73,577)
Fund Balance – beginning	<u>275,630</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>275,630</u>
Fund Balance – ending	<u>\$202,053</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$202,053</u>

The accompanying notes are an integral part of this statement.

Webster Voluntary of Council on Aging, Inc.  
 Reconciliation of The Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended June 30, 2023

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total governmental funds (Statement E)	(\$73,577)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(18,102)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$2,298) exceeded depreciation (\$68,144) in the current period.	<u>(65,846)</u>
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Change in Net Position of Governmental Activities (Statement B)	<u><u>(\$157,525)</u></u>
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The accompanying notes are an integral part of this statement.

Webster Voluntary of Council on Aging, Inc.  
Notes to the Financial Statements  
As of and For the Year Ended June 30, 2023

1. INTRODUCTION

The accounting and reporting policies of the Webster Voluntary of Council on Aging, Inc. conform to accounting principles generally accepted (GAAP) in the United States of America 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 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

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 of other conditions affecting the welfare of the aging people in Webster 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 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 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 parish; to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA), 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 the parish.

The primary services provided by the Council to the elderly residents of Webster Parish include congregate and home-delivered meals, nutritional education, information and assistance, outreach, utility assistance, homemaker services, telephoning, personal care, wellness, medication management, family caregiver support, medical alert rentals, and transportation.

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 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 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 (LRS) 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.

Webster Parish Council on Aging (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 November 7, 1973 and subsequently incorporated on June 14, 1974 under the provisions of Title 12, Chapter 2 of the Louisiana Revised Statutes.

Webster Voluntary of Council on Aging, Inc.  
Notes to the Financial Statements  
As of and For the Year Ended June 30, 2023

A board of directors, consisting of 11 voluntary members, who serve three-year terms, governs the Council. The board of directors is comprised of, but not limited to, representatives of the Parish's elderly population, general public, private businesses, and elected public officials. Board members are elected in the following manner:

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

Based on the criteria set forth in GASB Statement 14, *The Financial Reporting Entity*, the Council is not a component unit of another primary government, nor does it have component units that are related to it. In addition, based on the criteria set forth in this statement, the Council has presented its financial statements as a special-purpose, stand-alone government; accordingly, it is applying the provisions of Statement 14 as if it is a primary government.

### C. BASIS OF PRESENTATION

The Council's basic financial statements consist of "government-wide" financial on all activities of the Council, which are designed to report the Council as a whole entity, and "fund" financial statements, the purpose of which are to report individual governmental funds and combined nonmajor 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 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 and the Statement of Activities 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 changes in its net position (financial position) resulting from the activities of the current year. Intergovernmental revenues primarily support governmental activities.

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 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 - invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Council's functions and significant programs. Many functions and programs are general government revenues such as intergovernmental revenues and unrestricted support, particularly if the function or program has a net cost. 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 services, operating and capital

Webster Voluntary of Council on Aging, Inc.  
Notes to the Financial Statements  
As of and For the Year Ended June 30, 2023

grants, and restricted contributions, to derive the net cost of each function or program. Program revenues must be directly associated with the program to be used to directly offset its cost. Operating grants include operating-discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

Direct expenses reported in the Statement of Activities are those that are clearly a specific function or program, whereas, the Council allocates its direct expenses to various functions and programs in accordance with OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*. 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 entities. Unrestricted contributions, unrestricted grants, interest income, and revenues that are not included among program revenues are reported instead as general revenues in this statement. Special items, if any, are significant transactions within the management that are either unusual in nature or infrequent in occurrence and are reported below general revenues. The council did not have any material special items this year.

#### Fund Financial Statements

The fund financial statements present financial information very similar to that which included in the general-purpose financial statements issued by governmental entities GASB Statement No. 34 required the format change.

The daily accounts and operations of the Council continue to be organized using funds. Accounting is designed to demonstrate legal compliance and to aid financial segregating transactions relating to certain government functions or activities. The activities of each fund are accounted for with a separate set of self-balancing accounts that include assets, liabilities, equity, revenues, and expenditures. Government resources are accounted for in individual funds based upon the purpose for which they are to be 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 the 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 in 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. The nonmajor funds are summarized by category or fund type in to a single column in the fund financial statement.

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

Webster Voluntary of Council on Aging, Inc.  
Notes to the Financial Statements  
As of and For the Year Ended June 30, 2023

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

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

Local Programs and Funding

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

PCOA Funding

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 the "Act 735" funds at its discretion to fund any of its programs provided the program is benefitting elderly people (those who are at least 60 years old). The Council received this grant money into its General Fund. Management transferred all \$100,000 of the PCOA funds to the III C-2 Fund to help pay for that fund's program expenditures.

Senior Center and Supplemental Senior Center Funding

Senior Center and Supplemental Senior Center grant funds are also appropriated annually for the Council and remitted to the Council via GOEA. These grant funds can be used at management's discretion to pay for costs of any program involving elderly who are at least 60 years old. To obtain supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community, the elderly person will come to a "senior center." The Council maintains two centers in Webster parish. During the year, management transferred \$86,897 of its Senior Center grant funds to Title IIIB \$4,118 and \$2,729 of its Supplemental Senior Center grant funds to the Title IIIB to subsidize that program's cost of providing services to elderly persons who used the senior centers.

Area Agency Administration (AAA) Funding

Each fiscal year GOEA provides the Council with funds to subsidize the costs of administering the Council's special programs for the aging. This year GOEA granted the Council \$28,583 of AAA funding, which has been received and accounted for in the General fund along with an equal amount of administrative expenditures. The amount of funding is not enough to pay for all indirect administrative (indirect) type costs. As a result, the Council will consume the GOEA grant funds first when paying for administrative costs and then allocate the excess administrative costs to other programs using a formula based on the percentage each program's direct costs bears to direct costs for all programs. In addition, due to program restrictions, administrative costs may not be allocated to certain funds and programs.

Medicare Improvement for Patients and Providers Act (MIPPA) Fund

The MIPPA Fund is used to account for funds relating to supporting outreach and assistance efforts directed toward Medicare beneficiaries with limited incomes who may be eligible for Medicare Part D, Low Income



Webster Voluntary of Council on Aging, Inc.  
Notes to the Financial Statements  
As of and For the Year Ended June 30, 2023

Subsidy (LIS and Medicare Savings Plan (MSP) programs. The goal is to provide outreach to individuals in Webster Parish, Louisiana with special emphasis on rural communities and to increase public awareness and enrollment into the benefits available under LIS and MSP.

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 specified 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 each special revenue fund and their classification as either major or nonmajor governmental fund:

Major Governmental Funds:

Title IIIB Fund

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

<u>Type of Service Provided</u>	<u>Units</u>
Information and Assistance	289
Outreach	209
Homemaker	3,397
Legal	84
Transportation for persons age 60 or older	1,215
Wellness	1,423

There were two main sources of revenues received this year that form the basis of this fund: Special Programs for the Aging - Title III, Part B - Grants for Supportive Services \$72,491 and ARP Act Title IIIB funds of \$30,061.

Title III C-1 Fund

The Title III C-1 Fund accounts for funds used to provide nutritional congregate meals to persons age 60 or older in strategically located centers throughout Webster Parish. The Council maintains meal sites in Minden and Springhill. During the year, the Council provided 14,053 meals to persons eligible to participate in this program.

There were four main sources of revenues received this year that form the basis of this fund: Nutrition Services Incentor Program (NSIP) grant funds \$28,574; restricted, voluntary contributions from those who received congregate meals \$19,722; a grant from GOEA for Special Programs for the Aging Title III, Part C-1 Nutrition Services \$100,000; and ARP Act Title IIIC-1 grants of \$11,276.

Title III C-2 Fund

The Title III C-2 Fund accounts for funds used to provide nutritional meals to homebound persons who are age 60 or older. During the year, the Council provided 40,302 home-delivered meals.

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There were four main sources of revenues received this year that form the basis of this fund: Special Programs for the Aging - Title III, Part C-2 - Nutrition Services grant funds \$110,455; and restricted, voluntary public support \$11,123, from those persons actually receiving home-delivered meals services; and ARP Act Title III C-2 funds of \$29,419.

NonMajor Governmental Funds:

Title III D Fund

The Title III D Fund is used to account for funds used for wellness, which includes disease prevention and health promotion activities. During the year the Council provided 1,423 units of service of wellness service to eligible participants. The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA via Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services of \$4,400 and ARP Act Title III D funds of \$2,822.

Title III E Fund

The Title III E Fund is used to account for funds used to provide support for family caregivers and for grandparents or older individuals who are relative caregivers. During the year the Council provided 289 units of information and assistance, 144 units of in-home respite, 42 units of material aid, 23 units of public education, and 0 units of sitter services under this program. The source of the revenue forming the basis for this fund is a grant the Council received from GOEA via Special Programs for the Aging - Title III, Part E - National Family Caregivers Support Program of \$29,715 and ARP Act Title III E funds of \$5,676.

NSIP

Nutrition Services Incentive Program (NSIP) funds of \$28,574 provided by the GOEA to supplement the congregate meals program. Any food that is purchased for use in this nutrition program using NSIP funds must be of United States origin or be commodities from the United States Department of Agriculture.

American Rescue Plan Act

These grant funds were additional supplemental funding appropriated in response to the Coronavirus emergency, earmarked to carry out services authorized by the Older Americans Act of 1965. These funds had to be spent on allowable activities related to 1) preventing exposure to; 2) responding to; and/or 3) recovering from the COVID-19 public health emergency. These funds were earmarked for Title III-B, Title III-C, Title III-D, and Title III-E. The contract amount awarded was \$89,459.

**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 measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows.

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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 management 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 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 60 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 statement, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate. Transfers represent a permanent reallocation of resources between funds which 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. For the purpose of the Statement of Net Position, restricted cash are amounts received 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, there was no restricted cash.

G. RECEIVABLES

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

H. INVESTMENTS

GASB Statement 31 requires the Council to report its investments at fair value in the balance sheet, except for investments in non-participating interest-earning contracts, as non-negotiable certificates of deposits 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 credit standing of the issuer or other factors.

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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 value are reported at estimated fair value. The Council did not own any investments of this type at year end.

I. PREPAID EXPENSES/EXPENDITURES

Prepaid expenses include amounts paid in advance for goods and services. Prepaid expenses are shown as either current or other assets on the government-wide Statement of Net Position, depending on when management expects to realize their benefits. The Council has prepaid expenses of \$2,638 at June 30, 2023.

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, 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 acquire vehicles that will be titled to another government are recorded as prepaid expense and amortized in the Statement of Net Position to better present the economies 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 in the fund financial statements as intergovernmental expenditures when the vehicles are received.

J. CAPITAL ASSETS

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

Government-Wide Financial Statements

Capital assets are long-lived assets purchased or acquired with an original cost of at least \$1,000 and have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the government-wide Statement of Net Position. If the asset was purchased, it is recorded in the books at its costs. 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 as incurred.

For capital assets recorded in the government-wide financial statements, depreciation is computed and recorded using the straight-line method for the assets 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.

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Using this guideline, the estimated useful lives of the various classes of depreciable assets are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Office equipment - other than computers	6 years
Vehicles	5 years
Computer equipment	5 years
Leasehold improvements	20 years
Nutrition equipment	10 years

When calculating depreciation, the State’s guidelines 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 placed in service or disposed.

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. 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.

**L. COMPENSATED ABSENCES**

The Council’s policy for vacation time allows its employees to accumulate earned but unused vacation leave. Accordingly, a liability for unpaid vacation leave has been recorded in the government-wide statements. The amount accrued as the compensated absence liability was determined using the number of vested vacation hours for each employee multiplied by the employee’s wage rate in effect at the end of the year.

In contrast, the governmental funds in the fund financial statements report only compensated absence liabilities that are payable from expendable available financial resources to the extent that the liabilities mature (or come due for payment). Vacation leave does not come due for payment until an employee makes a request to use it or terminates employment with the Council. Accordingly, payments for vacation leave will be recorded as fund expenditures in the various governmental funds in the year in which they are paid or become due on demand to terminated employees. As a result, no amounts have been accrued as fund liabilities as of year-end in the fund financial statements. The difference in the methods of accruing compensated absences creates a reconciling item between the fund and government-wide financial statement presentations.

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M. ADVANCES FROM FUNDING AGENCY

Advances from funding agency represent unexpected balances of grants awarded to the Council that are required to be returned to the funding agency at the end of the grant period. Grants funds due back to the funding agency are recorded as a liability when the amount due becomes known, normally when a final accounting is submitted to the funding agency. The Council owed \$0 to funding agencies at year end.

N. DEFERRED REVENUES

The Council reports deferred revenues on both the Statement of Net Position and the Balance Sheet. 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 revenues is removed from the Statement of Net Position and the Balance Sheet, whichever the case might be; and the revenue is recognized. The Council did not have any deferred revenues at year end.

O. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

P. FUND EQUITY - FUND FINANCIAL STATEMENTS

Governmental fund equity is classified as fund balance. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used, as follows:

*Nonspendable* - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted* - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors contributors, or laws or regulations of other governments.

Management has classified fund balance for USDA/NSIP food services as being restricted due to constraints on the use of the money.

*Committed* - amounts constrained to specific purpose by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level of action to remove or change the constraint.

*Assigned* - amounts the government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

*Unassigned* - all other spendable amounts.

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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 other classified funds.

**Q. NET POSITION - GOVERNMENT-WIDE FINANCIAL STATEMENTS**

In the government wide statements, equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use with by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt"

When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first to finance its activities. However, management will depart from its usual policy by using unrestricted funds in the Council's nutrition programs before consuming unspent NSIP funds, which are restricted type revenue. The reason management will take this action is because certain unrestricted funds will have to be returned to GOEA if not consumed by June 30, whereas unconsumed NSIP funds are allowed by GOEA to be carried over and used in a subsequent year.

**R. ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from the estimates.

**S. ALLOCATION OF INDIRECT EXPENSES**

The Council reports all direct expenses by function and programs of function 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 formula based primarily on the relationship the direct cost o 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.

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T. ELIMINATION AND RECLASSIFICATIONS

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

U. TRANSFERS

Advances between funds that are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for through the various due from and due to accounts. Transfers between funds are netted against one another as part of the reconciliation of the change in fund balances in the fund financial statements to the change in net position in the Government-wide Financial Statements.

2. CASH AND CASH EQUIVALENTS

At June 30, 2023, the Council has cash and cash equivalents (book balances) totaling \$220,391. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the fire Council that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Fire Council's name.

These deposits are secured as follows:

Bank balances	\$225,423
Federal deposit insurance	\$250,000
Pledged securities (uncollateralized)	0
Total	\$250,000



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Notes to the Financial Statements  
As of and For the Year Ended June 30, 2023

3. PREPAID EXPENDITURES

At year end, prepaid expenditures in the fund Balance Sheet and government-wide Statement of Net Position consisted of \$1,752 of prepaid insurance and \$886 of computer maintenance and license fees.

4. IN-KIND CONTRIBUTIONS

The Council received a variety of in-kind contributions during the year; but it 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.

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2023, for the primary government is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$125,000			\$125,000
Construction in progress				0
Total capital assets not being depreciated	<u>125,000</u>	<u>0</u>	<u>0</u>	<u>125,000</u>
Capital assets being depreciated:				
Building & improvements	1,922,319			1,922,319
Vehicles	77,874			77,874
Furniture and equipment	101,722	\$2,298		104,020
Total capital assets being depreciated	<u>2,101,915</u>	<u>2,298</u>	<u>0</u>	<u>2,104,213</u>
Less accumulated depreciation for:	<u>563,206</u>	<u>68,144</u>		<u>631,350</u>
Total capital assets, net	<u>\$1,663,709</u>	<u>(\$65,846)</u>	<u>\$0</u>	<u>\$1,597,863</u>

Depreciation expense of \$68,144 was charged to administration as the capital assets essentially serve all functions. Accordingly, it is included as a direct expense of the administration function on the Statement of Activities.

6. BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for any out-of-pocket costs they might incur on behalf of the Council in accordance with the Council's applicable reimbursement policy.

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As of and For the Year Ended June 30, 2023

7. INCOME TAX STATUS

The Council, a non-profit corporation, is exempt from federal income taxes under 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. Returns are subject to examination by the IRS, generally for three years after they are filed. As of June 30, the Council is not aware of any uncertain tax positions that could cause future tax liabilities. Returns for year ended June 30, 2020 and later are subject to review by the Internal Revenue Service.

8. RISK MANAGEMENT

The Council is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To handle such risk of loss, the Council maintains commercial insurance policies covering its vehicles, professional liability and surety bond coverage. No claims were paid on any of the policies which exceeded to policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2023. 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.

9. JUDGMENTS, CLAIMS AND SIMILAR CONTINGENCIES

As of the end of this fiscal year, the Council's management has no knowledge of any pending litigation, lawsuits, or claims against the Council, except as described in the next paragraph, if any. 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.

10. CONTINGENCIES - GRANT PROGRAMS

The Council participates in a number of state and federal grants 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 and the collectability of any related receivables 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. Audits of prior years have not resulted in any disallowed costs or refunds. Any costs that would be disallowed would be recognized in the prior agreed upon by the grantor agency and the Council.

11. INTERFUND RECEIVABLES AND PAYABLES

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

Webster Voluntary of Council on Aging, Inc.  
Notes to the Financial Statements  
As of and For the Year Ended June 30, 2023

	Due from	Due to
General fund	\$1,266	\$1,469
Title IIIB	\$143	
Title IIIC-1	42	
Title IIIC-2	168	
Title IIIE - nonmajor		150
Total	\$1,619	\$1,619

These loans have been eliminated as a part of the consolidation process in preparing the government-wide financial statements.

#### 12. INTERFUND TRANSFERS

The composition of interfund transfers as of June 30, 2023 is as follows:

Fund	Transfers In	Transfers Out
General		\$293,192
Supportive Services	122,233	
C-1	102,295	
C-2	162,644	
D	9,160	
E	2,437	2,437
USDA/NSIP		28,574
ARP funds		74,566
Total	\$398,769	\$398,769

#### 13. ECONOMIC DEPENDENCY

The Council receives the majority of its revenue from other governments in the form of intergovernmental revenues. Intergovernmental type revenues are appropriated each year by the federal, state, and local governments. If significant budget cuts are made at the federal, state, and/or local level, the amount of funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the fiscal 2024 relating to its usual sources of intergovernmental revenues.

#### 14. RELATED PARTY TRANSACTIONS

There were no related party transactions during the fiscal year.

#### 15. REVENUE RECOGNITION

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

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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, and interest income must be both measurable and available. However, the timing and amounts of the receipts of public and miscellaneous revenues are often difficult to measure; therefore, they are recorded as revenue in the period received.

16. MANAGEMENT'S REVIEW

Subsequent events have been evaluated through March 8, 2024. This date represents the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

Webster Voluntary Council on Aging, Inc.  
Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Budget and Actual  
General Fund  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts GAAP Basis	Favorable (Unfavorable) Variance
	Original	Final		
<b>REVENUES</b>				
Intergovernmental				
Governor's Office of Elderly Affairs	\$227,799	\$227,799	\$227,798	(\$1)
Local funds				0
Public support - unrestricted	22,440	22,440	31,262	8,822
Interest income			239	239
Total Revenues	<u>250,239</u>	<u>250,239</u>	<u>259,299</u>	<u>9,060</u>
<b>EXPENDITURES</b>				
General government:				
Personnel	23,120	23,120	17,617	5,503
Fringe	2,163	2,163	1,338	825
Travel	543	543	436	107
Operating services	16,128	16,128	18,299	(2,171)
Operating supplies	1,475	1,475	1,984	(509)
Other costs			10	(10)
Capital outlay				0
Total Expenditures	<u>43,429</u>	<u>43,429</u>	<u>39,684</u>	<u>3,745</u>
Excess (Deficiency) of Revenues over (under) Expenditures	206,810	206,810	219,615	12,805
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in				0
Operating transfers out	<u>(177,348)</u>	<u>(177,348)</u>	<u>(293,192)</u>	<u>(115,844)</u>
Total Other Financing Sources (Uses)	<u>(177,348)</u>	<u>(177,348)</u>	<u>(293,192)</u>	<u>(115,844)</u>
Net Change in Fund Balance	29,462	29,462	(73,577)	(103,039)
Fund Balance (Deficit) at Beginning of Year			275,730	275,730
Prior Period Adjustment	0	0	0	0
Fund Balance (Deficit) at End of Year	<u>\$29,462</u>	<u>\$29,462</u>	<u>\$202,153</u>	<u>\$172,691</u>

## Notes to the Schedule

(1) method of budgetary accounting - GAAP, modified accrual basis

(2) explanation of material variances - operating services and operating transfers out were underbudgeted

The accompanying notes are an integral part of this schedule.

Webster Voluntary Council on Aging, Inc.  
Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Budget and Actual  
Special Revenue Fund - Title III B Fund  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts GAAP Basis	Favorable (Unfavorable) Variance
	Original	Final		
<b>REVENUES</b>				
Intergovernmental				
Governor's Office of Elderly Affairs	\$72,491	\$72,491	\$72,491	\$0
Public support	5,200	5,200	6,836	1,636
Total Revenues	<u>77,691</u>	<u>77,691</u>	<u>79,327</u>	<u>1,636</u>
<b>EXPENDITURES</b>				
General government				
Personnel	111,301	111,301	134,330	(23,029)
Fringe	10,413	10,413	10,334	79
Travel	11,521	11,521	26,006	(14,485)
Operating services	32,078	32,078	26,079	5,999
Operating supplies	13,583	13,583	4,806	8,777
Other costs	1,200	1,200	5	1,195
Capital outlay	2,400	2,400		2,400
Total Expenditures	<u>182,496</u>	<u>182,496</u>	<u>201,560</u>	<u>(19,064)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(104,805)	(104,805)	(122,233)	(17,428)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	64,202	64,202	122,233	58,031
Operating transfers out				0
Total Other Financing Sources (Uses)	<u>64,202</u>	<u>64,202</u>	<u>122,233</u>	<u>58,031</u>
Net Change in Fund Balance	(40,603)	(40,603)	0	40,603
Fund Balance (Deficit) at Beginning of Year	0	0	0	0
Prior Period Adjustment	0	0	0	0
Fund Balance (Deficit) at End of Year	<u>(\$40,603)</u>	<u>(\$40,603)</u>	<u>\$0</u>	<u>\$40,603</u>

## Notes to the Schedule

(1) method of budgetary accounting - GAAP, modified accrual basis

(2) explanation of material variances - personnel and travel expenditures were underbudgeted and the final budget did not cover the fund deficit

The accompanying notes are an integral part of this schedule.

Webster Voluntary Council on Aging, Inc.  
Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Budget and Actual  
Special Revenue Fund - Title III C-1 Fund  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts GAAP Basis	Favorable (Unfavorable) Variance
	Original	Final		
<b>REVENUES</b>				
Intergovernmental				
Governor's Office of Elderly Affairs	\$100,000	\$100,000	\$100,000	\$0
Public support	23,874	23,874	19,722	(4,152)
Total Revenues	<u>123,874</u>	<u>123,874</u>	<u>119,722</u>	<u>(4,152)</u>
<b>EXPENDITURES</b>				
General government				
Personnel	72,000	72,000	110,953	(38,953)
Fringe	6,736	6,736	8,478	(1,742)
Travel	774	774	227	547
Operating services	21,148	21,148	40,215	(19,067)
Operating supplies	2,577	2,577	5,098	(2,521)
Other costs			78	(78)
Meals	32,430	32,430	56,279	(23,849)
Capital outlay			689	(689)
Total Expenditures	<u>135,665</u>	<u>135,665</u>	<u>222,017</u>	<u>(86,352)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(11,791)	(11,791)	(102,295)	(90,504)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	515	515	102,295	101,780
Operating transfers out				0
Total Other Financing Sources (Uses)	<u>515</u>	<u>515</u>	<u>102,295</u>	<u>101,780</u>
Net Change in Fund Balance	(11,276)	(11,276)	0	11,276
Fund Balance (Deficit) at Beginning of Year	0	0	0	0
Prior Period Adjustment	0	0	0	0
Fund Balance (Deficit) at End of Year	<u>(\$11,276)</u>	<u>(\$11,276)</u>	<u>\$0</u>	<u>\$11,276</u>

## Notes to the Schedule

(1) method of budgetary accounting - GAAP, modified accrual basis

(2) explanation of material variances - operating transfers out were underbudgeted; several line items actual expenditures exceeded budget amounts by more than 10%

The accompanying notes are an integral part of this schedule.



Webster Voluntary Council on Aging, Inc.  
Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Budget and Actual  
Special Revenue Fund - Title III C-2 Fund  
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts GAAP Basis</u>	<u>Favorable (Unfavorable) Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental				
Governor's Office of Elderly Affairs	\$110,495	\$110,495	\$110,455	(\$40)
Public support	16,091	16,091	11,123	(4,968)
Total Revenues	<u>126,586</u>	<u>126,586</u>	<u>121,578</u>	<u>(5,008)</u>
<b>EXPENDITURES</b>				
General government				
Personnel	133,600	133,600	96,121	37,479
Fringe	12,499	12,499	7,339	5,160
Travel	10,355	10,355	2,972	7,383
Operating services	35,545	35,545	60,762	(25,217)
Operating supplies	3,111	3,111	10,225	(7,114)
Other costs			100	(100)
Meals	118,640	118,640	105,094	13,546
Capital outlay			1,609	(1,609)
Total Expenditures	<u>313,750</u>	<u>313,750</u>	<u>284,222</u>	<u>29,528</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(187,164)	(187,164)	(162,644)	24,520
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	11,633	11,633	162,644	151,011
Operating transfers out				0
Total Other Financing Sources (Uses)	<u>11,633</u>	<u>11,633</u>	<u>162,644</u>	<u>151,011</u>
Net Change in Fund Balance	(175,531)	(175,531)	0	175,531
Fund Balance (Deficit) at Beginning of Year	0	0	0	0
Prior Period Adjustment	0	0	0	0
Fund Balance (Deficit) at End of Year	<u>(\$175,531)</u>	<u>(\$175,531)</u>	<u>\$0</u>	<u>\$175,531</u>

## Notes to the Schedule

(1) method of budgetary accounting - GAAP, modified accrual basis

(2) explanation of material variances - several line items actual expenditures exceeded budget amounts by more than 10%; and the final budget did not cover the fund deficit

The accompanying notes are an integral part of this schedule.

WEBSTER VOLUNTARY COUNCIL ON AGING, INC.  
Notes to Required Supplemental Information  
For the Year Ended June 30, 2023

NOTE 1 - BUDGETARY REPORTING

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

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

- Revenue projections are made based on grants from GOEA and other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- Expenditure projections are developed using historical information and changes to the upcoming year that management is aware of at the time of budget preparation.
- Once the information regarding projected revenues and expenditures has been obtained, the Council's executive director and bookkeeper prepare a proposed budget based on the projections. The proposed budget is submitted to the Board of Directors for final approval.
- The Board of Directors reviews and adopts the budget for the next fiscal year at a regularly scheduled board meeting before May 31 of the current fiscal year.
- The adopted budget is forwarded to GOEA for compliance approval.
- 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 fiscal year one amendment was made to the budget.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The council may transfer funds between line items as often as required but must obtain compliance approval from the governors office of elderly affairs for funds received under grants and contracts from these agencies. As a part of their compliance 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.
- Budgetary expenditures cannot exceed budgeted revenues on an individual fund level, unless a large enough fund balance exists to absorb the budgeted operating deficit.
- The council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly some activities may not be budgeted, particularly if they are deemed to be immaterial by management.

Webster Voluntary Council on Aging, Inc.  
 Combining Balance Sheet - Non-Major Governmental Funds  
 For the Year Ended June 30, 2023

	Title IID	Title IIE	USDA/ NSIP	Total
<b>ASSETS</b>				
Other assets	\$228			\$228
Due from other funds				0
<b>TOTAL ASSETS</b>	<u>228</u>	<u>0</u>	<u>0</u>	<u>228</u>
<b>LIABILITIES</b>				
Accounts payable	78			\$78
Due to other funds	150			
<b>Total liabilities</b>	<u>228</u>	<u>0</u>	<u>0</u>	<u>228</u>
<b>FUND BALANCE</b>				
Restricted	0	0		0
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$228</u>	<u>\$0</u>	<u>\$0</u>	<u>\$228</u>

The accompanying notes are an integral part of this schedule.

Webster Voluntary Council on Aging, Inc.  
 Combining Statement of Revenues, Expenditures, and Changes  
 in Fund Balances - Non-Major Special Revenue Funds  
 For the Year Ended June 30, 2023

	Title IIID	Title IIIE	USDA/ NSIP	ARP- AAA	ARP - B	ARP - C-1	ARP - C-2	ARP - D	ARP - E	Total
<b>REVENUES</b>										
Intergovernmental										
Governor's Office of Elderly Affairs	\$4,400	\$29,715								\$34,115
Grants			\$28,574	\$6,804	\$25,051	\$11,097	\$24,516	\$2,352	\$4,746	103,140
Total Revenues	4,400	29,715	28,574	6,804	25,051	11,097	24,516	2,352	4,746	137,255
<b>EXPENDITURES</b>										
General government										
Salaries	439	27,165								27,604
Fringe	33	2,142								2,175
Travel	60									60
Operating services	12,866	408								13,274
Operating supplies	135									135
Other costs	27									27
Meals										0
Capital outlay										0
Total Expenditures	13,560	29,715	0	0	0	0	0	0	0	43,275
Excess (Deficiency) of Revenues over (under) Expenditures	(9,160)	0	28,574	6,804	25,051	11,097	24,516	2,352	4,746	93,980
<b>OTHER FINANCING SOURCES (USES)</b>										
Operating transfers in	9,160	2,437								11,597
Operating transfers out		(2,437)	(28,574)	(6,804)	(25,051)	(11,097)	(24,516)	(2,352)	(4,746)	(105,577)
Total Other Financing Sources (Uses)	9,160	0	(28,574)	(6,804)	(25,051)	(11,097)	(24,516)	(2,352)	(4,746)	(93,980)
Net Change in Fund Balance	0	0	0	0	0	0	0	0	0	0
Fund Balance (Deficit) at Beginning of Year	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment	0	0	0	0	0	0	0	0	0	0
Fund Balance (Deficit) at End of Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

The accompanying notes are an integral part of this schedule.

Webster Voluntary Council on Aging, Inc.  
 Comparative Statement of General Fixed Assets  
 and Changes in General Fixed Assets  
 For the Year Ended June 30, 2023

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets				
Vehicles	\$77,874			\$77,874
Office equipment	44,519	\$2,298		46,817
Nutrition equipment	63,707			63,707
Building	1,873,696			1,873,696
Storage building	11,500			11,500
Parking lot	37,122			37,122
Other equipment	0			0
Land	125,000			125,000
Total capital assets	<u>\$2,233,418</u>	<u>\$2,298</u>	<u>\$0</u>	<u>\$2,235,716</u>
Investment in capital assets				
Property acquired with funds from:				
PCOA	67,320			67,320
State of Louisiana	1,586,711			1,586,711
DOTD	62,305			62,305
Local	463,078			463,078
AAA	1,517			1,517
Title IIIB	6,666			6,666
Title IIIC1	25,103	689		25,792
Title IIIC2	19,105	1,609		20,714
Title IIID	548			548
Title IIIE	1,065			1,065
Total investment in capital assets	<u>\$2,233,418</u>	<u>\$2,298</u>	<u>\$0</u>	<u>\$2,235,716</u>

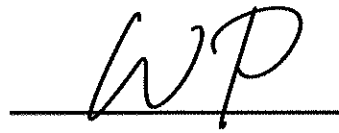
Webster Voluntary Council on Aging, Inc.  
Schedule of Compensation, Benefits and Other Payments  
to Agency Head  
For the Year Ended June 30, 2023

Schedule 8

Agency Head Name: Johnny Johnson, Executive Director

Purpose	
Salary	\$60,000
Benefits - social security	3,720
Benefits - medicare	870
Reimbursements	486
Registration fees	125
Lodging	100
Association dues	125
Total	<u>\$65,426</u>

OTHER REPORTS



**Wade & Perry, CPAs**  
A Professional Accounting Corporation  
Members: AICPA/ Society of LCPA's

REPORT ON COMPLIANCE AND OTHER MATTERS AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

Board of Directors  
Webster Voluntary Council on Aging, Inc.  
Minden, Louisiana

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Webster Voluntary Council on Aging, Inc. ("Council") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated March 8, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered 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 Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*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. We consider the deficiencies described in the accompanying Schedule of Findings as items 2023-01 to be material weaknesses.



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. We consider the deficiencies described in the accompanying Schedule of Findings as item 2023-02 to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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 statements 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as item 2023-02.

### **Council's Response to Findings**

Council's response to the findings identified in our audit is described in the accompanying Schedule of Findings. Council's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 result 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.

*Wade Perry*

Ruston, Louisiana  
March 8, 2024

Webster Voluntary Council on Aging, Inc.  
Schedule of Findings  
For the Year Ended June 30, 2023

PART I. Summary of Audit Results

Financial statement audit

1. The type of audit report issued was unqualified.
2. There was one significant deficiency required to be disclosed by Governmental Auditing Standards issued by the Comptroller General of the United States of America. One of these significant deficiencies was reported as material weakness.
3. There was one instance of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

Audit of Federal Awards

1. There were \$74,566 federal awards received from ARP Act funding.

PART II. Findings related to financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

**2023-01. Fiscal management needed**

Condition: Based on the results of observations and test work performed during our audit, we feel that the current system of fund accounting and chart of accounts is not adequately setup to facilitate separately reporting financial activity by fund. The current system requires a significant amount of time to separate each fund's activity. In addition, financial transactions lack a timely review process to ensure the correct coding of some financial transactions.

Criteria: Accounting and information systems should be designed to provide management with accurate and timely financial information to enable well informed decisions to be made.

Cause: All activity is consolidated in the accounting software as one large fund separated by departments, however, does not allow the system to generate a trial balance for each fund separately.

Effect: Accounting records separated by fund are out of balance.

Recommendation: We suggest the Council seriously create an accounting system that will facilitate the production of accurate financial information and related preparation of financial statements by fund.

Management's response: After finally learning how the system works, we believe that we have been able to streamline the coding of expenses and revenues to present each fund as they should be according to GAAP. We have also hired a degreed accountant with years of experience to fill the spot being vacated by our retiring finance manager.

**2023-02. Budget amendments**

Condition: The budget had changes in expenditure categories which exceeded 10%, and the budget was not amended. The General fund, Title III B fund, Title III C-1 fund, and Title III C-2 fund budgets included budget variances.

Criteria: GOEA requires 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.

Cause: Unknown

Effect: Failure to amend budget does not meet requirement.

Recommendation: We suggest the Council monitor the budget for amendments whenever changes in the categories exceed 10% or more.

Management's response: We have amended our budget already once this fiscal year and are prepared to amend it again at our annual meeting in June if amendment is needed.

### **2023-03. Late report submission**

Condition: The Council submitted the audit report after December 31, 2023.

Criteria: LRS 24:513A(5)(a)(I)

Cause: Trial balances and requested audit information were not given to the auditor in a timely manner to ensure the audit was submitted by the deadline. Health issues among the staff also contributed

Effect: Misstatements in the financial statements may not be detected and management could not make educated, informed decisions.

Recommendation: We recommend the Council ensure all financial information is available to the auditor in order to have the audit performed timely.

Management's response: We have implemented procedures that we feel will ensure timely reports in the future. Health issues among staff also contributed to the late submission. Our executive director had to fill in for drivers and other staff.

Webster Voluntary Council on Aging, Inc.  
Summary of Prior Year Findings  
For the Year Ended June 30, 2023

**A. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**

2022-01. Fiscal management needed

Status: Unresolved - see 2023-1

WP

## Wade & Perry, CPAs

A Professional Accounting Corporation  
Members: AICPA/ Society of LCPA's

### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board of Webster Voluntary Council on Aging, Inc (Entity) and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The Entity's management is responsible for those C/C areas identified in the SAUPs.

The Entity has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

#### ***1) Written Policies and Procedures***

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

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<sup>1</sup> For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization's operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.

- 4) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- 5) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- 6) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- 7) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- 8) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- 9) **Ethics<sup>2</sup>**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- 10) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- 11) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- 12) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Written policies and procedures were obtained and address the functions listed above except as noted. There is not a written policy for budgeting, disbursements, receipts/collections, contracting, credit cards, travel and expense reimbursements concerning dollar thresholds by category of expense, ethics, debt service, information technology disaster recovery/business continuity, and prevention of sexual harassment concerning annual employee training.

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<sup>2</sup> The Louisiana Code of Ethics is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

## 2) Board or Finance Committee<sup>3</sup>

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A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- 1) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions

- 2) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds<sup>4</sup>, and semi-annual budget-to-actual, at a minimum, on all special revenue funds<sup>7</sup>. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds<sup>5</sup> if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exceptions

- 3) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

No exceptions

- 4) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are fully resolved.<sup>6</sup>

No updates were given regarding the progress of resolving audit findings.

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<sup>3</sup> These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

<sup>4</sup> Proprietary and special revenue funds are defined under GASB standards. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary and special revenue operations that are not required to be budgeted under the Local Government Budget Act.

<sup>5</sup> R.S. 24:513 (A)(1)(b)(iv) defines public funds.

<sup>6</sup> No exception is necessary if management's opinion is that the cost of taking corrective action for findings related to improper segregation of duties or inadequate design of controls over the preparation of the financial statements being audited exceeds the benefits of correcting those findings.



### **3) Bank Reconciliations**

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A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts<sup>7</sup> (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

1. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

No exceptions

2. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No evidence of review of bank reconciliations.

3. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions

### **4) Collections (excluding electronic funds transfers)<sup>7</sup>**

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A. Obtain a listing of deposit sites<sup>8</sup> for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Management represented the list obtained was complete.

B. For each deposit site selected, obtain a listing of collection locations<sup>9</sup> and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

1. Employees responsible for cash collections do not share cash drawers/registers.

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<sup>7</sup> The collections category is not required to be performed if the entity has a third-party contractor performing all collections functions

<sup>8</sup> A deposit site is a physical location where a deposit is prepared and reconciled.

<sup>9</sup> A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school Entity a collection location may be a classroom and a deposit site may be the school office.

No exceptions

2. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

No exceptions

3. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions

4. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

No exceptions

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

1. Observe that receipts are sequentially pre-numbered.<sup>10</sup>

Sequentially pre-numbered receipts are not used.

2. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions

3. Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions

4. Observe the deposit was made within one business day of receipt<sup>11</sup> at the collection location (within one week if the depository is more than 10 miles from the collection

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<sup>10</sup> The practitioner is not required to test for completeness of revenues relative to classroom collections by teachers.

<sup>11</sup> As required by Louisiana Revised Statute 39:1212.

location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exceptions.

5. Trace the actual deposit per the bank statement to the general ledger.

No exceptions.

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

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

Management represented the list obtained was complete.

- B. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

No exceptions

2. At least two employees are involved in processing and approving payments to vendors.

No exceptions

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

No exceptions

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

No exceptions

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

No exceptions

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- C. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
1. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.  
No exceptions
  2. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.  
No exceptions
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.  
No exceptions

#### ***6) Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards<sup>12</sup>. Obtain management's representation that the listing is complete.  
Management represented the list obtained was complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
1. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

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<sup>12</sup> Including cards used by school staff for either school operations or student activity fund operations.

No exceptions

2. Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions

- C. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing)<sup>13</sup>. For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

(1) No exceptions

(2) No exceptions

(3) No exceptions

#### ***7) Travel and Travel-Related Expense Reimbursements<sup>14</sup> (excluding card transactions)***

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- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Management represented the list obtained was complete.

1. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

No exceptions

2. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

No exceptions

3. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

No exceptions

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<sup>13</sup> For example, if 3 of the 5 cards selected were fuel cards, only 10 transactions would be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #12 were fuel cards, Procedure #13 would not be applicable.

<sup>14</sup> Non-travel reimbursements are not required to be tested under this category.

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

No exceptions

## **8) Contracts**

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

Management represented the list obtained was complete.

1. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law<sup>15</sup> (e.g., solicited quotes or bids, advertised), if required by law.

No exceptions

2. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

No exceptions

3. If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

No exceptions

4. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions

## **9) Payroll and Personnel**

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

Management represented the list obtained was complete.

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<sup>15</sup> If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" with "Louisiana Procurement Code."

<sup>16</sup> "Officials" would include those elected, as well as board members who are appointed.

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

1. Observe all selected employees or officials<sup>17</sup> documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions

2. Observe whether supervisors approved the attendance and leave of the selected employees or officials.

No exceptions

3. Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exceptions

4. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions

C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

No exceptions.

D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions

## 10) *Ethics*<sup>18</sup>

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A. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

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<sup>17</sup> Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.

<sup>18</sup> The Louisiana Code of Ethics is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a nonprofit, the procedures should be performed.



1. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exceptions

2. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

No exceptions

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Agency does not currently have an ethics designee.

### ***11) Debt Service<sup>19</sup>***

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- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

Not applicable

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

No exceptions.

### ***12) Fraud Notice<sup>20</sup>***

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- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the Entity attorney of the parish in which the entity is domiciled.

Management represented the list obtained is complete.

- B. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.<sup>21</sup>

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<sup>19</sup> This AUP category is generally not applicable to nonprofit entities; however, if applicable, the procedures should be performed.

<sup>20</sup> Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs and the notice is available for download at [www.la.la.gov/hotline](http://www.la.la.gov/hotline)



No exceptions

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

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A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

1. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

2. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

3. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

No exceptions.

### ***14) Prevention of Sexual Harassment<sup>22</sup>***

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A. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

No exceptions

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<sup>21</sup> This notice is available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline).

<sup>22</sup> While it appears to be a good practice for charter schools to ensure it has policies and training for sexual harassment, charter schools do not appear required to comply with the Prevention of Sexual Harassment Law (R.S. 42:341 et seq). An individual charter school, through the specific provisions of its charter, may mandate sexual harassment training.

- B. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

No exceptions

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- 1. Number and percentage of public servants in the agency who have completed the training requirements;

19; 100%.

- 2. Number of sexual harassment complaints received by the agency;

Zero

- 3. Number of complaints which resulted in a finding that sexual harassment occurred;

Zero

- 4. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

Zero

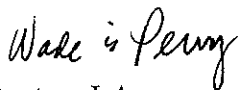
- 5. Amount of time it took to resolve each complaint.

Not applicable

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

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

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



Ruston, LA  
March 8, 2024

WEBSTER VOLUNTARY COUNCIL ON AGING, INC.

1482 Sheppard Street  
Minden, LA 71058

March 8, 2024

Wade & Perry, CPAs  
Ruston, LA

The following is Management's Response to the 2023 AUP report submitted for Webster Voluntary Council on Aging, Inc.

Written policies and procedures

A. Management will work towards writing a policy concerning:

- 1) Budgeting
- 3) Disbursements
- 4) Receipts/collections
- 6) Contracting
- 7) Credit cards
- 8) Travel and expense reimbursements for dollar thresholds by category or expense
- 9) Ethics
- 10) Debt service
- 11) Information technology disaster recovery/business continuity
- 12) Annual employee training for prevention of sexual harassment

Board or finance committee

- A. 4) No mention of updates were noted regarding the process of resolving audit findings.

Bank reconciliations

- A. 2) Management will work toward documenting evidence of review of bank reconciliations by someone not involved in the reconciliation process.

Ethics

- B. Management will work toward appointing an ethics designee.