

Webster Voluntary Council on Aging, Inc.
Minden, Louisiana

Financial Statements
For the Year Then Ended June 30, 2020

Webster Voluntary Council on Aging, Inc.

Financial Statements
For the Year Ended June 30, 2020
With Supplemental Information Schedules

CONTENTS

	<u>Statement</u>	<u>Page</u>
Required Supplemental Information (Part I)		
Management's Discussion and Analysis		1
Independent Auditor's Report		8
<u>Basic Financial Statements</u>		
Government-Wide Financial Statements:		
Statement of Net Position	A	10
Statement of Activities	B	11
Fund Financial Statements:		
Balance Sheet	C	12
Reconciliation of the Government Funds Balance Sheet to The Government-Wide Financial Statement of Net Position	D	13
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	14
Reconciliation of the Statement of Revenues, Expenditures, And Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	15
Notes to the Financial Statements		16
Required Supplemental Information (Part II)		
Budgetary Comparison Schedules -		
General Fund	1	32
Title III B Supportive Services	2	33
Title III C-1 Congregate Meals	3	34
Title III C-2 Home Delivered Meals	4	35
	<u>Schedule</u>	<u>Page</u>
Supplementary Information		
Non-Major Governmental Funds-		
Combining Balance Sheets	5	37
Combining Statement of Program Revenues, Expenditures, and Changes in Fund Balances	6	38

Webster Voluntary Council on Aging, Inc.
Table of Contents (Contd.)

	Schedule	Page
Comparative Schedule of Capital Assets and Changes in Capital Assets	7	39
Schedule of Compensation, Benefits, and Other Payments to Agency Head	8	40
<u>Other Reports</u>		
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		42
Current Year Findings	8	44
Status of Prior Audit Findings	9	47

The following discussion and analysis of Webster Voluntary Council on Aging, Inc.'s (the Council) financial performance provides an overview and analysis of the Council's performance and activities for the year ended June 30, 2020. This document focuses on the current year's activities, resulting changes, and currently known facts. This document should be read in conjunction with basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Council showed a decrease in overall net position of \$37,617 this year.
- Net Capital Assets of the Council decreased by \$30,198 this year.
- The Council's revenue, on a modified accrual basis, increased by \$115,857 this year.
- Expenditures, on a modified accrual basis, increased by \$118,453 this year.
- The unassigned fund balance for the Council's General Fund was \$193,541 at year-end, which is a decrease of \$1,398 from the prior year.
- No deficit fund balances existed at year-end.
- The Council has no long-term debt.

HOW TO USE THIS ANNUAL REPORT

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

- (1) Management's discussion and analysis (MD&A) (this section)
- (2) The basic financial statements (government-wide and fund)
- (3) Supplementary information required by GASB 34
- (4) Supplementary information required by GOEA
- (5) Auditor reports

Government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities. These financial statements provide information about the activities of the Council as a whole and present a long-term view of the Council's finances. In contrast, the fund financial statements, which consist of the Fund balance sheet and the statement of revenues, expenditures, and changes in fund balances, tell how services were financed in the short-term, as well as what remains for future spending for governmental funds. Fund financial statements also report the Council's operations in more detail than the government-wide financial statements by providing information about the Council's most significant funds.

The auditor has provided assurance in the independent auditor's report, located immediately after this MD&A, that the basic financial statements are fairly stated. The auditor has also provided assurance about supplementary information that follows later in this reporting package. A user of the document should read the independent auditor's report carefully to ascertain the level of assurance being provided for each part of the financial section of the report.

Basic Financial Statements

The basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements.

Webster Voluntary Council on Aging, Inc.
Management Discussion and Analysis
June 30, 2020

Government-Wide Financial Statements

Managements analysis of the council as a whole begins on page 3. When reading these financial statements, an important point to consider is whether the council's finances as a whole, are better or worse off as a result of this year's activities. The statement of net position and the statement of activities, referred to collectively as the government-wide financial statements, report information about the council as a whole and about its activities in a way that helps when considering this point. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. Also, under the accrual basis, all current year revenues and expenses are taken into account regardless of when cash is received or paid.

The government word financial statements report the councils net position and changes in them. The council has restricted net position of \$14,009 which must be used for specific purposes, whereas \$185,344 of net position is unrestricted, meaning that they can be used for any program at management's discretion. The statement of net position is designed to present the financial position of the council as of year end. Over time, increases or decreases in the councils net position is one indicator of whether it's financial position is improving or deteriorating. However, to assess the overall financial position of the council, the reader must consider other non-financial factors, such as the condition of the councils capital assets and facilities, the addition or termination of grants and other revenues sources, and the expansion or contraction of programs and services.

The statement of activities presents information which shows how the Council's net position changed as a result of the year's changes. In this statement all changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will affect cash flows in future periods. All of the Council's significant activities are reported in the Statement of Activities, including an Administration function and a Health, Welfare, and Social Services function. The Health, Welfare, and Social Services function is comprised of four primary programs that include supportive social services, nutritional services, disease prevention and health promotion, family caregiver support. Subprogram activities are also presented, in some cases, to help the reader analyze the Council's operations in more detail. All activities of the Council are considered to be governmental activities. A governmental activity is usually on where the Council uses money it receives from government grants and contracts, along with donations from the general public, to provide services at no charge to the general public, or a segment of the general public, such as the elderly. In other words, the people benefitting from the services are not required to pay for what they receive. If the Council charged fees with the intent to cover all or most of the cost of providing a service, that activity would be classified as a business-type activity. The Council does not have any business-type activities.

Management's Discussion and Analysis is also required supplementary information (RSI) by GASB Statement 34. However, GASB 34 requires it to be presented as the first item in this reporting package and not with GASB's other RSI, which is included later in this reporting package.

Webster Voluntary Council on Aging, Inc.
Management Discussion and Analysis
June 30, 2020

Other Supplementary Information

The Governor's Office of Elderly Affairs (GOEA) has required the council to present as schedules the information. This information will be used by GOEA to verify the accuracy of the information submitted by the council during the year to help GOEA monitor certain compliance requirements set forth in the grants that it has with the council.

The following is a condensed statement of the Council's assets, liabilities, and net position as of June 30, 2020:

	2020	2019	Increase (Decrease)
Assets			
Current & Other Assets	\$215,951	\$239,947	(\$23,996)
Capital Assets (net)	<u>1,757,665</u>	<u>1,787,863</u>	<u>(30,198)</u>
Total Assets	<u>\$1,973,616</u>	<u>\$2,027,810</u>	<u>(\$54,194)</u>
Liabilities			
Current liabilities	\$8,025	\$25,473	(\$17,448)
Non-current Liabilities	<u>8,573</u>	<u>7,703</u>	<u>870</u>
Total Liabilities	<u>16,598</u>	<u>33,176</u>	<u>(16,578)</u>
Net Position			
Invested in capital assets, net	1,757,665	1,787,863	(30,198)
Restricted	14,009	18,960	(4,951)
Unrestricted	<u>185,344</u>	<u>187,811</u>	<u>(2,467)</u>
Total Net Position	<u>\$1,957,018</u>	<u>\$1,994,634</u>	<u>(\$37,616)</u>

As of June 30, 2020, the Council "as a whole" had assets greater than its liabilities of \$1,957,018 whereas at June 30, 2019 net position was \$1,994,634. This is a decrease of \$37,616.

About 9% and 9% of the Council's total net position is unrestricted as of June 30, 2020 and 2019, respectively. Unrestricted net position is important because it provide the discretionary resources management will need so that it can quickly adapt to changes in the economy, emergencies, unexpected needs, and reductions in or termination of grant revenues by government agencies.

The Council's restricted net position represent 0.71% and 0.95% of the Council's total net position as of June 30, 2020 and 2019, respectively. Net position is reported as restricted when the constraints placed upon the assets' use are either (a) externally imposed by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

The net position that has been invested in capital assets are presented net of any related outstanding debt incurred to acquire them. For the 2020 no debt has to be subtracted from the capital asset amount. The Council's policy is to acquire capital assets by paying cash and avoiding debt. This policy helps assure management will stay within its financial means so that future revenues will be spent for client services instead of debt services.

Webster Voluntary Council on Aging, Inc.
Management Discussion and Analysis
June 30, 2020

The following represents a condensed presentation of the revenues and expenses:

	<u>2020</u>	<u>% of Total</u>	<u>2019</u>	<u>% of Total</u>
<u>Revenue</u>				
Program Revenues				
Charges for services				
Operating grants & contributions	\$465,381	69.64%	\$405,633	76.01%
Capital grants & contributions				
General Revenues				
Unrestricted grants & contributions	202,532	30.31%	127,670	23.92%
Other general revenues	363	0.05%	363	0.07%
Total Revenue	<u>668,276</u>	<u>100.00%</u>	<u>533,666</u>	<u>100.00%</u>
Direct Program Expenses for the Health Welfare and Social Services Function:				
Supportive Services:				
Transportation for the Elderly	47,044	6.66%	36,233	5.91%
Other supportive services	41,272	5.85%	40,563	6.62%
Nutrition Services:				
Congregate Meals	92,803	13.15%	114,918	18.75%
Home-delivered Meals	100,162	14.19%	100,234	16.36%
Other Social Service Program and Activities	14,113	2.00%	26,066	4.25%
Direct Administrative Expenses	410,499	58.15%	294,750	48.10%
Total Expenses	<u>705,893</u>	<u>100.00%</u>	<u>612,764</u>	<u>100.00%</u>
Change in Net Position	(37,617)		(79,098)	
Net Position, beginning	<u>1,994,635</u>		<u>2,073,733</u>	
Net Position, ending	<u>\$1,957,018</u>		<u>\$1,994,635</u>	

The Council gets most of its revenues from operating grants and contributions that are specifically related to a program and must be used in the programs to which they relate. Unrestricted grants and contributions make up the second largest percentage of revenues and this revenue is available to management to use at its discretion.

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

The Council had a \$37,617 decrease in its net position for FY 2020, whereas the decrease in net position for FY 2019 was \$79,098. There is a reconciliation that follows the Statement of Revenues, Expenditures, and Changes in Fund Balances that present an analysis of why there are differences between that particular fund financial statement and the government-wide Statement of Activities for FY 2020.

Webster Voluntary Council on Aging, Inc.
 Management Discussion and Analysis
 June 30, 2020

Governmental Activities

When reviewing the government-wide Statement of Activities, there are relationships that are important to the understanding of the Council’s operations. As you can see, the Council’s largest activities include nutrition services. The Council’s main focus is to meet the needs of the elderly citizens of Webster Parish and right now, these services are in the greatest demand. However, there is a growing demand for other supporting services. As these demands increase, management will adjust its annual budget to reallocate available resources to meet the demands.

Another area of interest on the Statement of Activities relates to the total governmental activities column wherein the Council shows that most of the governmental activities have more expenses than revenues. None of the programs are expected to be truly self-supporting; and management has prepared budgets accordingly. However, on occasion, a program might “break even” or even make a slight “profit.” Traditionally, general revenues are used to cover the excess of expenses over revenues in these activities. Without the unrestricted grants and contributions, the Council would have a difficult time providing services at current levels. Further, the general nature of these revenues allows management discretion as to how to apply them in paying for the Council’s current services as well as reallocating them to meet future demands.

Another indication of how money is used efficiently can be analyzed by comparing the amount of administrative costs from year to year as well as calculating the percentage administration expenses bears in relation to total expenses. For 2020 total administration expenses were \$410,499 or 58% of total expenses. For 2019 total administration expenses were \$294,750 or 48% of total expenses. Administration expenses include indirect type costs, meaning these are costs that are not specifically identified with a particular program, but which benefit all programs.

Fund Financial Statements - Governmental Funds

The Council presents a combined governmental fund balance of \$207,926 at the end of this year, which is a decrease of \$6,548 from 2019. When the funds are reviewed individually, it shows the Council’s General Fund decreased by \$1,597 this year, while the Special Revenue Funds had a combined fund balance decrease of \$4,951.

The combined fund revenues increased by \$115,857 this year versus last year, as shown below.

	2020	2019	Increase (Decrease)
Intergovernmental	\$606,279	\$483,005	\$123,274
Public support	61,632	69,049	(7,417)
Miscellaneous	363	363	0
Total Revenues	<u>\$668,274</u>	<u>\$552,417</u>	<u>\$115,857</u>

Most of the Council’s activities were funded by federal, state, and local grants, which comprise the Council’s intergovernmental revenues. The total of these types of grants was \$606,279 (2020) and \$483,005 (2019)

Webster Voluntary Council on Aging, Inc.
Management Discussion and Analysis
June 30, 2020

and represent about 91% and 87% of the total revenues of the Council in 2020 and 2019, respectively. Most of these grants are restricted, which means that the money can only be used in certain programs. The amount of funds available from most of the grants remains rather constant from year to year; however, some grant amounts may vary based upon the level of service provided by the Council under the terms of the particular grant award.

The Council also received donations from its clients and the general public. These revenues helped to lessen the financial burden on the Council and allow it to maintain and expand services. Public support revenues for 2020 and 2019 were \$61,632 and \$69,049 and represented about 9% and 12% of the total revenues for 2020 and 2019, respectively.

Total expenditures increased by \$118,453 in the current year, as shown below:

	2020	2019	Increase/(Decrease)	
			Amount	% of Total
Personnel	\$267,360	\$253,347	\$14,013	5.53%
Fringe	20,868	19,551	1,317	6.74%
Travel	24,996	14,767	10,229	69.27%
Operating services	120,504	95,106	25,398	26.70%
Operating supplies	31,368	13,586	17,782	130.88%
Other costs	5,280	7,500	(2,220)	-29.60%
Meals	177,227	140,623	36,604	26.03%
Capital outlay	27,219	11,889	15,330	128.94%
Total Revenue	\$674,822	\$556,369	\$118,453	21.29%

The largest areas of increase occurred in operating services and meals. The Council had capital outlay this year of \$27,219.

Budgetary Highlights

Over the course of the past fiscal year, the budget was not amended. Overall, the Council's General fund had a net unfavorable variance of \$59,733. The Council received \$144,758 more revenues than was budgeted, mainly from the Webster Parish Policy Jury. Total expenses were \$204,491 more than budgeted, with actual operating services, supplies and capital outlay exceeding budgeted amounts by \$36,782. Net transfers were more than budgeted by \$167,751.

Capital Asset and Debt Administration

	2020	2019	Increase
			(Decrease)
Office furniture & equipment	\$27,465	\$10,003	\$17,462
Building & improvements	1,605,200	1,652,860	(47,660)
Land	125,000	125,000	0
Total	<u>\$1,757,665</u>	<u>\$1,787,863</u>	<u>(\$30,198)</u>

Webster Voluntary Council on Aging, Inc.
Management Discussion and Analysis
June 30, 2020

The net decrease in capital assets in 2020 is a result of depreciation expense of \$57,418 plus additions of \$27,219.

At year end, the Council had no long-term debt.

Current Financial Factors

The Council receives most of its funding from federal and state agencies. Because of this, the source of income is rather steady. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council; therefore, revenues may vary from year to year. All of the Council's grants and contracts from the usual federal and state agencies have been awarded for 2020; and there were no significant changes to the funding levels or terms of the grants or contracts. Accordingly, the initial budget has been set to provide the same programs and similar levels of service next year. OEA has approved the Council's budget for next year. There are no plans to add or discontinue any significant programs for next year.

Requests for Information

This financial report is designed to provide government agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money it receives. If you have any questions about this report or requests for additional information, you should contact the Executive Director at the Council's office located at 1482 Sheppard Street, Minden, Louisiana or by phone at (318) 371-3056.

WADE & PERRY

Certified Public Accountants
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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Webster Voluntary Council on Aging, Inc. ("Council"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents. The financial statements of The Council as of June 30, 2019, were audited by other auditors whose report dated December 31, 2019, expressed an unqualified opinion on those statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1-7 and 32-35 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basis financial statements. The supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic 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 August 16, 2021, 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.

Wade Perry

Ruston, Louisiana
August 16, 2021

Webster Voluntary Council on Aging, Inc.
Statement of Net Position
June 30, 2020

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$213,151
Receivables	
Other assets	2,800
Capital assets (net)	<u>1,757,665</u>
TOTAL ASSETS	<u>\$1,973,616</u>
Deferred outflows of resources	0
LIABILITIES	
Accounts payable	\$6,012
Payroll liabilities	2,013
Long-term liabilities - compensated absences payable	<u>8,573</u>
TOTAL LIABILITIES	<u>16,598</u>
Deferred inflows of resources	0
NET POSITION	
Invested in capital assets, net of related debt	1,757,665
Restricted for NSIP	14,009
Unrestricted	<u>185,344</u>
TOTAL NET POSITION	<u>\$1,957,018</u>

The accompanying notes are an integral part of this statement.

Webster Voluntary of Council on Aging, Inc.
Statement of Activities
Year Ended June 30, 2020

	<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	\$47,044	\$36,177	\$73,634	(\$9,587)
Information and assistance	5,297	3,751		(9,048)
Outreach	3,404	2,411		(5,815)
Legal assistance	2,910			(2,910)
Transportation	28,532	20,206	1,723	(47,015)
Other services	1,129			(1,129)
Nutrition services:				
Congregate meals	92,803	119,012	157,289	(54,526)
Home-delivered meals	100,162	125,228	142,424	(82,966)
Disease Prevention and Health Promotion	3,970		3,970	0
National Family Caregiver Support	10,143	7,986	29,666	11,537
Administration	410,499	(314,771)	56,675	(39,053)
Total governmental activities	<u>\$705,893</u>	<u>\$0</u>	<u>\$465,381</u>	<u>(\$240,512)</u>
General revenues:				
Grants and contributions not restricted				202,532
Interest income				363
Total general revenues and transfers				<u>202,895</u>
Change in Net Position				(37,617)
				<u>1,994,635</u>
				<u>\$1,957,018</u>

The accompanying notes are an integral part of this statement.

Webster Voluntary of Council on Aging, Inc.
 Balance Sheet, Governmental Funds
 June 30, 2020

	General Fund	Title IIIB	Title IIIC-1	Title IIIC-2	Non-Major Funds	Total
ASSETS						
Cash and equivalents	\$213,151					\$213,151
Receivables						0
Due from other funds			1,569	1,584	\$14,009	17,162
Other assets	376	646	861	775	142	2,800
TOTAL ASSETS	\$213,527	\$646	\$2,430	\$2,359	\$14,151	\$233,113
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payables	\$484	\$597	\$2,430	\$2,359	\$142	\$6,012
Payroll liabilities	2,013					2,013
Due to other funds	17,113	49				17,162
Total liabilities	19,610	646	2,430	2,359	142	25,187
Fund balances:						
Nonspendable - prepaid expenses	376					376
Restricted					14,009	14,009
Unassigned	193,541					193,541
Total fund balances	193,917	0	0	0	14,009	207,926
TOTAL LIABILITIES AND FUND BALANCES	\$213,527	\$646	\$2,430	\$2,359	\$14,151	\$233,113

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, 2020

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

Fund balances, Total governmental funds (Statement C)		\$207,926
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		(8,573)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	\$2,202,261	
Less accumulated depreciation	<u>(444,596)</u>	<u>1,757,665</u>
Net Position of Governmental Activities (Statement A)		<u>\$1,957,018</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, 2020

	<u>General</u>	<u>Title III B</u>	<u>Title III C-1</u>	<u>Title III C-2</u>	<u>Non-Major Funds</u>	<u>Total</u>
REVENUES						
Intergovernmental:						
Governor's Office of Elderly Affairs	\$196,593	\$69,482	\$113,580	\$132,963	\$62,395	\$575,013
Local funds	31,266					31,266
Public Support:						
Unrestricted	2,588					2,588
Restricted		5,874	43,709	9,461		59,044
Interest income	363					363
Total Revenues	<u>230,810</u>	<u>75,356</u>	<u>157,289</u>	<u>142,424</u>	<u>62,395</u>	<u>668,274</u>
EXPENDITURES						
Health, Welfare & Social Services:						
Salaries	16,665	93,800	71,975	75,367	9,553	267,360
Fringe	1,305	7,450	5,556	5,819	738	20,868
Travel	590	8,487	1,303	14,145	471	24,996
Operating Services	26,508	31,684	32,466	24,420	5,426	120,504
Operating Supplies	7,018	5,582	16,633	851	1,284	31,368
Other costs			840	840	3,600	5,280
Meals			77,905	99,322		177,227
Capital outlay	12,570	3,858	5,138	4,626	1,027	27,219
Total Expenditures	<u>64,656</u>	<u>150,861</u>	<u>211,816</u>	<u>225,390</u>	<u>22,099</u>	<u>674,822</u>
Excess (Deficiency) of Revenues over (under) Expenditures	166,154	(75,505)	(54,527)	(82,966)	40,296	(6,548)
OTHER FINANCING SOURCES (USES)						
Operating transfers in		75,505	54,527	82,966		212,998
Operating transfers out	(167,751)				(45,247)	(212,998)
Total Other Financing Sources (Uses)	<u>(167,751)</u>	<u>75,505</u>	<u>54,527</u>	<u>82,966</u>	<u>(45,247)</u>	<u>0</u>
Net Change in Fund Balance	(1,597)	0	0	0	(4,951)	(6,548)
Fund Balance – beginning	195,514	0	0	0	18,960	214,474
Fund Balance – ending	<u>\$193,917</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$14,009</u>	<u>\$207,926</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, 2020

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

Net Change in Fund Balances, Total governmental funds (Statement E) (\$6,548)

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. (870)

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 (\$27,219) exceeded depreciation (\$57,418) in the current period. (30,199)

Change in Net Position of Governmental Activities (Statement B) (\$37,617)

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, 2020

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, 2020

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, 2020

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.

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

Webster Voluntary of Council on Aging, Inc.
Notes to the Financial Statements
As of and For the Year Ended June 30, 2020

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). In FY 2020, the Council received this grant money into its General Fund. Management transferred all \$100,000 of the PCOA funds to the IIIB Supportive Services 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 \$50,954 of its Senior Center grant funds to Title IIIB (\$50,954) and all \$10,541 of its Supplemental Senior Center grant funds to the Title III-C-1 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 \$25,257 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 Subsidy (LIS and Medicare Savings Plan (MSP) programs. The goal is to provide outreach to individuals in

Webster Voluntary of Council on Aging, Inc.
Notes to the Financial Statements
As of and For the Year Ended June 30, 2020

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	248
Outreach	163
Homemaker	2,260
Legal	543
Transportation for persons age 60 or older	2,022
Wellness	1,045

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 \$69,572 and PCOA funds of \$5,348.

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 22,498 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 (\$26,132); restricted, voluntary contributions from those who received congregate meals \$33,212; a grant from GOEA for Special Programs for the Aging Title III, Part C-1 Nutrition Services \$100,612; and Senior Center and Supplemental Senior Center grants of \$0.

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 15,694 home-delivered meals.

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 \$107,028; NSIP funds (\$7,578); and restricted, voluntary public support \$7,506, from those persons actually receiving home-delivered meals services; and PCOA funds of \$41,922.

Webster Voluntary of Council on Aging, Inc.
Notes to the Financial Statements
As of and For the Year Ended June 30, 2020

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 168 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.

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 31 units of information and assistance, 1,209 units of in-home respite, 38 units of material aid, 36 units of public education, and 59 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.

NSIP

Nutrition Services Incentive Program (NSIP) funds of \$28,759 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.

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.

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

Webster Voluntary of Council on Aging, Inc.
Notes to the Financial Statements
As of and For the Year Ended June 30, 2020

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.

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 \$2,800 at June 30, 2020.

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

Webster Voluntary of Council on Aging, Inc.
Notes to the Financial Statements
As of and For the Year Ended June 30, 2020

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 economics 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.

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

Webster Voluntary of Council on Aging, Inc.
Notes to the Financial Statements
As of and For the Year Ended June 30, 2020

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.

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.

Webster Voluntary of Council on Aging, Inc.
Notes to the Financial Statements
As of and For the Year Ended June 30, 2020

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.

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.

Webster Voluntary of Council on Aging, Inc.
Notes to the Financial Statements
As of and For the Year Ended June 30, 2020

- 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.

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.

Webster Voluntary of Council on Aging, Inc.
Notes to the Financial Statements
As of and For the Year Ended June 30, 2020

2. CASH AND CASH EQUIVALENTS

At June 30, 2020, the Council has cash and cash equivalents (book balances) totaling \$213,151. 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.

At June 30, 2020, the Council has \$249,393 in deposits (collected bank balances). These deposits are secured from risk by \$249,393 of federal deposit insurance and \$0 of pledged securities held by the custodial bank in the name of the fiscal agent bank. (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 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 Council that the fiscal agent has failed to pay deposited funds upon demand.

3. PREPAID EXPENDITURES

At year end, prepaid expenditures in the fund Balance Sheet and government-wide Statement of Net Position consisted of \$2,339 of prepaid insurance and \$491 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, 2020, 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	1,918,724	\$3,595		1,922,319
Vehicles	77,874			77,874

Webster Voluntary of Council on Aging, Inc.
Notes to the Financial Statements
As of and For the Year Ended June 30, 2020

	Beginning Balance	Increases	Decreases	Ending Balance
Furniture and equipment	53,444	23,624		77,068
Total capital assets being depreciated	2,050,042	27,219	0	2,077,261
Less accumulated depreciation for:	387,178	57,418		444,596
Total capital assets, net	\$1,787,864	(\$30,199)	\$0	\$1,757,665

Depreciation expense of \$57,418 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.

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, 2017 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, 2020. 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.

Webster Voluntary of Council on Aging, Inc.
Notes to the Financial Statements
As of and For the Year Ended June 30, 2020

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:

	Due from	Due to
General fund		\$17,113
Title IIB		49
Title IIC-1	\$1,569	
Title IIC-2	1,584	
USDA/NSIP - nonmajor	14,009	
Total	\$17,162	\$17,162

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, 2020 is as follows:

Fund	Transfers In	Transfers Out
General		\$167,751
Supportive Services	\$75,505	
C-1	54,527	
C-2	82,966	
D		
E		11,537
NSIP		33,710
Total	\$212,998	\$212,998

Webster Voluntary of Council on Aging, Inc.
Notes to the Financial Statements
As of and For the Year Ended June 30, 2020

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 2021 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.

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 August 16, 2021. This date represents the date the financial statements were available to be issued. As a result of COVID-19 coronavirus, economic uncertainties have arisen which are likely to have a negative impact on operations and cause business disruption. However, the related financial impact and duration cannot be reasonably estimated at this time. The Council is closely monitoring its financial statements for 2021 impacts.

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts GAAP Basis</u>	<u>Favorable (Unfavorable) Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental				
Governor's Office of Elderly Affairs	\$86,052	\$86,052	\$196,593	\$110,541
Local funds			31,266	31,266
Public support - unrestricted			2,588	2,588
Interest income			363	363
Total Revenues	<u>86,052</u>	<u>86,052</u>	<u>230,810</u>	<u>144,758</u>
EXPENDITURES				
General government:				
Personnel	17,052	17,052	16,665	387
Fringe	1,404	1,404	1,305	99
Travel	146	146	590	(444)
Operating services	8,651	8,651	26,508	(17,857)
Operating supplies	663	663	7,018	(6,355)
Other costs				0
Capital outlay			12,570	(12,570)
Total Expenditures	<u>27,916</u>	<u>27,916</u>	<u>64,656</u>	<u>(36,740)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	58,136	58,136	166,154	108,018
OTHER FINANCING SOURCES (USES)				
Operating transfers in				0
Operating transfers out			(167,751)	(167,751)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(167,751)</u>	<u>(167,751)</u>
Net Change in Fund Balance	58,136	58,136	(1,597)	(59,733)
Fund Balance (Deficit) at Beginning of Year			195,514	195,514
Prior Period Adjustment	0	0	0	0
Fund Balance (Deficit) at End of Year	<u>\$58,136</u>	<u>\$58,136</u>	<u>\$193,917</u>	<u>\$135,781</u>

Notes to the Schedule

- (1) method of budgetary accounting - GAAP, modified accrual basis
(2) explanation of material variances - budget not amended

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, 2020

	Budgeted Amounts		Actual Amounts GAAP Basis	Favorable (Unfavorable) Variance
	Original	Final		
REVENUES				
Intergovernmental				
Governor's Office of Elderly Affairs	\$69,572	\$69,572	\$69,482	(\$90)
Public support	4,500	4,500	5,874	1,374
Total Revenues	74,072	74,072	75,356	1,284
EXPENDITURES				
General government				
Personnel	86,814	86,814	93,800	(6,986)
Fringe	7,148	7,148	7,450	(302)
Travel	7,831	7,831	8,487	(656)
Operating services	24,641	24,641	31,684	(7,043)
Operating supplies	8,842	8,842	5,582	3,260
Other costs	2,814	2,814		2,814
Capital outlay			3,858	(3,858)
Total Expenditures	138,090	138,090	150,861	(12,771)
Excess (Deficiency) of Revenues over (under) Expenditures	(64,018)	(64,018)	(75,505)	(11,487)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	64,018	64,018	75,505	11,487
Operating transfers out			0	0
Total Other Financing Sources (Uses)	64,018	64,018	75,505	11,487
Net Change in Fund Balance	0	0	0	0
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	\$0	\$0	\$0	\$0

Notes to the Schedule

- (1) method of budgetary accounting - GAAP, modified accrual basis
(2) explanation of material variances - budget not amended

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts GAAP Basis</u>	<u>Favorable (Unfavorable) Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental				
Governor's Office of Elderly Affairs	\$100,612	\$100,612	\$113,580	\$12,968
Public support	25,000	25,000	43,709	18,709
Total Revenues	<u>125,612</u>	<u>125,612</u>	<u>157,289</u>	<u>31,677</u>
EXPENDITURES				
General government				
Personnel	69,676	69,676	71,975	(2,299)
Fringe	5,737	5,737	5,556	181
Travel	455	455	1,303	(848)
Operating services	20,652	20,652	32,466	(11,814)
Operating supplies	1,771	1,771	16,633	(14,862)
Other costs	600	600	840	(240)
Meals	81,880	81,880	77,905	3,975
Capital outlay			5,138	(5,138)
Total Expenditures	<u>180,771</u>	<u>180,771</u>	<u>211,816</u>	<u>(31,045)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(55,159)	(55,159)	(54,527)	632
OTHER FINANCING SOURCES (USES)				
Operating transfers in	55,159	55,159	54,527	(632)
Operating transfers out			0	0
Total Other Financing Sources (Uses)	<u>55,159</u>	<u>55,159</u>	<u>54,527</u>	<u>(632)</u>
Net Change in Fund Balance	0	0	0	0
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>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Notes to the Schedule

- (1) method of budgetary accounting - GAAP, modified accrual basis
(2) explanation of material variances - budget not amended

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, 2020

	Budgeted Amounts		Actual Amounts GAAP Basis	Favorable (Unfavorable) Variance
	Original	Final		
REVENUES				
Intergovernmental				
Governor's Office of Elderly Affairs	\$107,028	\$107,028	\$132,963	\$25,935
Public support	19,790	19,790	9,461	(10,329)
Total Revenues	126,818	126,818	142,424	15,606
EXPENDITURES				
General government				
Personnel	74,232	74,232	75,367	(1,135)
Fringe	6,112	6,112	5,819	293
Travel	4,671	4,671	14,145	(9,474)
Operating services	18,483	18,483	24,420	(5,937)
Operating supplies	1,370	1,370	851	519
Other costs	600	600	840	(240)
Meals	57,340	57,340	99,322	(41,982)
Capital outlay			4,626	(4,626)
Total Expenditures	162,808	162,808	225,390	(62,582)
Excess (Deficiency) of Revenues over (under) Expenditures	(35,990)	(35,990)	(82,966)	(46,976)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	35,990	35,990	82,966	46,976
Operating transfers out	0	0	0	0
Total Other Financing Sources (Uses)	35,990	35,990	82,966	46,976
Net Change in Fund Balance	0	0	0	0
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	\$0	\$0	\$0	\$0

Notes to the Schedule

- (1) method of budgetary accounting - GAAP, modified accrual basis
- (2) explanation of material variances - budget not amended

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, 2020

NOTE 1 - BUDGETARY REPORTING

The budget information presented in this section of required supplementary information applies to "major" governmental funds for which annual budgets were adopted. Budgetary information for "nonmajor" funds has not been included 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 amount included in the accompanying required supplementary information include the original adopted budget amounts and all subsequent amendments. During the fiscal year no amendments were 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, 2020

	Title IIID	Title IIIE	NSIP	Total
ASSETS				
Other assets		\$142		\$142
Due from other funds			\$14,009	14,009
TOTAL ASSETS	<u>0</u>	<u>142</u>	<u>14,009</u>	<u>14,151</u>
LIABILITIES				
Accounts payable		\$142		\$142
Total liabilities	<u>0</u>	<u>142</u>	<u>0</u>	<u>142</u>
FUND BALANCE				
Restricted	0	0	14,009	14,009
TOTAL LIABILITIES AND FUND BALANCE	<u>\$0</u>	<u>\$142</u>	<u>\$14,009</u>	<u>\$14,151</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, 2020

	Title IIID	Title IIIE	USDA/ NSIP	Total
REVENUES				
Intergovernmental				
Governor's Office of Elderly Affairs	\$3,970	\$29,666	\$28,759	\$62,395
Public Support - restricted				0
Total Revenues	<u>3,970</u>	<u>29,666</u>	<u>28,759</u>	<u>62,395</u>
EXPENDITURES				
General government				
Salaries	136	9,417		9,553
Fringe	11	727		738
Travel	163	308		471
Operating services	6	5,420		5,426
Operating supplies	52	1,232		1,284
Other costs	3,600			3,600
Capital outlay	2	1,025		1,027
Total Expenditures	<u>3,970</u>	<u>18,129</u>	<u>0</u>	<u>22,099</u>
Excess (Deficiency) of Revenues over (under) Expenditures	0	11,537	28,759	40,296
OTHER FINANCING SOURCES (USES)				
Operating transfers in				0
Operating transfers out		(11,537)	(33,710)	(45,247)
Total Other Financing Sources (Uses)	<u>0</u>	<u>(11,537)</u>	<u>(33,710)</u>	<u>(45,247)</u>
Net Change in Fund Balance	0	0	(4,951)	(4,951)
Fund Balance (Deficit) at Beginning of Year	0	0	18,960	18,960
Prior Period Adjustment	0	0	0	0
Fund Balance (Deficit) at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$14,009</u>	<u>\$14,009</u>

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, 2020

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets				
Vehicles	\$77,874			\$77,874
Office equipment	20,895	\$23,624		44,519
Nutrition equipment	32,550			32,550
Building	1,870,101	3,595		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>\$2,175,042</u>	<u>\$27,219</u>	<u>\$0</u>	<u>\$2,202,261</u>
Investment in capital assets				
Property acquired with funds from:				
PCOA	54,750	12,570		67,320
State of Louisiana	1,586,711			1,586,711
DOTD	62,305			62,305
Local	459,387			459,387
AAA	1,517			1,517
Title IIIB	2,808	3,858		6,666
Title IIIC1	3,713	5,138		8,851
Title IIIC2	3,265	4,626		7,891
Title IIID	546	2		548
Title IIIE	40	1,025		1,065
Total investment in capital assets	<u>\$2,175,042</u>	<u>\$27,219</u>	<u>\$0</u>	<u>\$2,202,261</u>

Webster Voluntary Council on Aging, Inc.
Schedule of Compensation, Benefits and Other Payments
to Agency Head
For the Year Ended June 30, 2020

Schedule 8

Agency Head Name: Patsy Dees, Executive Director

Purpose	
Salary	\$53,040
Benefits - social security	3,288
Benefits - medicare	769
Reimbursements	17

OTHER REPORTS

WADE & PERRY

Certified Public Accountants
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, 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated August 16, 2021.

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 2020-001 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 2020-02 to be significant deficiencies.

Compliance and Other Matters

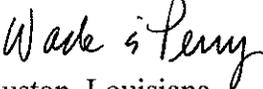
As part of obtaining reasonable assurance about whether Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 instances 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 items 2020-03.

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.


Ruston, Louisiana
August 16, 2021

Webster Voluntary Council on Aging, Inc.
Schedule of Findings
For the Year Ended June 30, 2020

PART I. Summary of Audit Results

Financial statement audit

1. The type of audit report issued was unqualified.
2. There were two significant deficiencies 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 no federal awards received.

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:

2020-01. 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 system 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 separate by departments, however, does not allow the system to generate a balanced trial 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: Our software is fairly new and is able to effectively manage each of our funds alone. I don't know why it wasn't used in a way that was beneficial to the Council, but I have been able to separate expenses and revenues for each fund into each of their separate accounts. I have created three separate funds to account for additional state grants because of the CARES act. I have also created several new GL accounts to more accurately portray what our financial position is at any given time and of what our expenses actually consist. I assure the reader that next fiscal year will be much better accounting-wise, and will continue to get better with each reporting period.

2020-02. Compensated absence records

Condition: Policy indicates that the maximum accrual for full time employees is 96 hours. One employee is being allowed to carryover in excess of the 96 hours, with no written documentation to support this practice.

Criteria: Good internal controls require that records for accumulating balances for unused vacation time be maintained and reviewed to ensure amounts are being calculated correctly.

Cause: Compensated absence records are not being reviewed timely by someone other than the person maintaining the records.

Effect: Inaccurate reporting of compensated absences.

Recommendation: We suggest the Council develop procedures to ensure that all employees follow the same rules.

Management's response: The one employee has since passed away and all other employees' balances are being reviewed on a quarterly basis.

2020-03. Budget amendments

Condition: The budget had changes in expenditure categories which exceeded 10%, and the budget was not amended. Also the current executive director could not locate the entire budget paperwork after the former executive director passed away unexpectedly in July, 2020. The current executive director was hired effective August 17, 2020.

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: New accounting software is in place to allow budget comparison information to be included, and reports generated allow budgets to be monitored for possible amendments.

Webster Voluntary Council on Aging, Inc.
Summary of Prior Year Findings
For the Year Ended June 30, 2020

A. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2019-01. Fiscal management needed

Status: Unresolved - see 2020-1

2019-02. Maintenance of capital assets inventory records

Status: Resolved

2019-03. Cash collections not deposited daily

Status: Resolved

2019-04. Compensated absence records

Status: Unresolved - see 2020-2

2019-05. Budget amendments

Status: Unresolved - see 2020-3