

**Financial Report**

**Webster Voluntary Council on Aging, Inc.  
Minden, Louisiana**

**June 30, 2019**

**Webster Voluntary Council on Aging, Inc.**  
**Minden, Louisiana**

**June 30, 2019**

**TABLE OF CONTENTS**

	<u>Statement</u>	<u>Page</u>
Independent Auditor's Report		1
 <b>REQUIRED SUPPLEMENTARY INFORMATION (I)</b>		
Management's Discussion and Analysis (MD&A)		4
 <b>BASIC FINANCIAL STATEMENTS</b>		
Government-wide Financial Statements:		
Statement of Net Position	A	13
Statement of Activities	B	14
 Fund Financial Statements:		
Balance Sheet	C	16
Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position	D	17
Statement of Revenues, Expenditures and Changes in Fund Balances	E	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	19
Notes to the Financial Statements		20
 <b>REQUIRED SUPPLEMENTARY INFORMATION (II)</b>		
Budgetary Comparison Schedules	<u>Schedule</u> 1	<u>Page</u> 38
Notes to Budgetary Comparison Schedules		42
 <b>SUPPLEMENTARY INFORMATION</b>		
Non-Major Governmental Funds -		
Combining Balance Sheets	2	44
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance	3	45
Comparative Schedule of Capital Assets and Changes in Capital Assets	4	46

**Webster Voluntary Council on Aging, Inc.  
Minden, Louisiana**

**June 30, 2019**

**TABLE OF CONTENTS**

	<u>Schedule</u>	<u>Page</u>
Schedule of Compensation, Benefits, and other Payments to Agency Head	5	47
<b>OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS</b>		
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		49
<b>OTHER INFORMATION</b>		
Schedule of findings		52
Summary Schedule of Prior Year Findings		55

**WISE, MARTIN & COLE, L.L.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

601 Main Street P. O. Box 897  
Minden, Louisiana 71058-0897  
(318) 377-3171 Fax (318) 377-3177

MICHAEL W. WISE, CPA  
CARLOS E. MARTIN, CPA  
KRISTINE H. COLE, CPA

KRISTIE K. MARTIN, CPA  
HANNAH M. COLVIN, CPA

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Webster Voluntary Council on Aging, Inc. (Council), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Webster Voluntary Council on Aging, Inc., as of June 30, 2019, and the respective changes in financial position for the year 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 management's discussion and analysis and budgetary comparison information on pages 4 and 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Webster Voluntary Council on Aging, Inc.'s basic 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, as listed in the table of contents, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2019, on our consideration of the Webster Voluntary Council on Aging, Inc.'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 results of that 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 Webster Voluntary Council on Aging, Inc.'s internal control over financial reporting and compliance.

Wise Martin & Co. LLC

Minden, LA  
December 31, 2019

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Webster Voluntary Council on Aging, Inc.

June 30, 2019

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, 2019. 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 follows this section.

#### FINANCIAL HIGHLIGHTS

- The Council showed a decrease in overall net position of \$79,098, or about 4% this year.
- Net capital assets of the Council decreased by \$56,645 this year.
- The Council's revenue, on a modified accrual basis, decreased by \$48,751 or 8%.
- Expenditures, on a modified accrual basis, decreased by \$19,939, or 3%.
- The unassigned fund balance for the Council's General fund was \$194,939 year-end, which is a \$4,941 increase 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 (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 before this Management's Discussion and Analysis (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 this 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.

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

**Webster Voluntary Council on Aging, Inc.**

**June 30, 2019**

### **BASIC FINANCIAL STATEMENTS**

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

#### **Government-wide Financial Statements**

Management's analysis of the Council as a whole begins on page 7. 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-wide financial statements report the Council's net position and changes in them. The Council has restricted net position of \$18,960 which must be used for specific purposes, whereas \$187,811 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 Council's net position is one indicator of whether its 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 Council's capital assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

The Statement of Activities provides information that shows how the Council's net position changed as a result of the year's activities. In this statement all changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of 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, and 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 one 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 benefiting 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

Webster Voluntary Council on Aging, Inc.

June 30, 2019

### Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the Council as a whole entity. In the fund financial statements, there are column presentations for a General fund, three Special Revenue funds that have been determined to be "major funds," and a column for the total of all remaining Special Revenue funds, which are deemed to be "Nonmajor funds." Major funds are those funds whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a major fund could be a fund that does not meet these criteria but is believed to be important for the Council's financial statement users. The General fund is used to account for all financial resources except those that are required to be accounted for in another fund. The Special Revenue funds account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt services of capital projects. By using separate funds to track revenues and expenditures, management can control funds for particular purposes or show that the fund is meeting legal responsibilities for using certain grants and other revenues.

The General fund and Special Revenue funds are considered governmental funds. Governmental funds focus on how money flows into and out of funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called the *modified* accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Council's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future for Council programs. The difference between net position of governmental activities and fund balances of the governmental funds is reconciled on a separate page that follows the Balance Sheet for Governmental funds. In addition, the difference between the change in fund balance for the governmental funds and the change in net position for the governmental activities has been reconciled on a separate page that follows the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds. These two reconciliations will facilitate the comparison between governmental activities and funds.

### Notes to the Financial Statements

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

### REQUIRED SUPPLEMENTARY INFORMATION

The Governmental Accounting Standards Board (GASB) Statement 34 requires budgetary comparison schedules for the General Fund and for each major Special Revenue Fund that has a legally adopted annual budget. The schedules compare the original and final budgets to actual budget results for the Council's fiscal year. Positive and negative variances between the final budget and actual amounts are also presented.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Webster Voluntary Council on Aging, Inc.

June 30, 2019

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.

### 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.

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

The following table reflects condensed information on the Council's assets, liabilities, and net position for fiscal years 2019 and 2018.

	2019	2018	Increase (decrease)
Current and other assets	\$ 239,947	\$ 242,253	\$ (2,306)
Capital assets	<u>1,787,863</u>	<u>1,844,508</u>	<u>(56,645)</u>
Total assets	<u>2,027,810</u>	<u>2,086,761</u>	<u>(58,951)</u>
Other liabilities	25,473	5,077	20,396
Long-term liabilities	<u>7,703</u>	<u>7,952</u>	<u>(249)</u>
Total liabilities	<u>33,176</u>	<u>13,029</u>	<u>20,147</u>
Net Position:			
Invested in capital assets	1,787,863	1,844,508	(56,645)
Restricted	18,960	28,428	(9,468)
Unrestricted	<u>187,811</u>	<u>200,796</u>	<u>(12,985)</u>
Total net position	<u>\$1,994,634</u>	<u>\$2,073,732</u>	<u>\$(79,098)</u>

As of June 30, 2019, the Council "as a whole" had assets greater than its liabilities of \$1,994,634, whereas at June 30, 2018 net position was \$2,073,732. This is a decrease of \$79,098.

About 9% and 10% of the Council's total net position are unrestricted as of June 30, 2019 and 2018, respectively. Unrestricted net position is important because it provides 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 0.95% and 1.4% of the Council's total net position as of June 30, 2019 and 2018, 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Webster Voluntary Council on Aging, Inc.

June 30, 2019

The net position that have been invested in capital assets are presented net of any related outstanding debt incurred to acquire them. For 2019, 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 service.

The table presented below illustrates a condensed presentation of the revenues and expenses that caused the increase in net position for FY 2019 and FY 2018:

	<u>2019</u>	<u>% of total</u>	<u>2018</u>	<u>% of total</u>
<u>Revenues</u>				
Program revenues:				
Operating grants & contributions	\$ 405,633	76.01%	\$ 536,696	87.42%
General revenues				
Unrestricted grants & contributions	127,670	23.92%	42,666	6.95%
Other general revenues	<u>363</u>	<u>0.07%</u>	<u>34,555</u>	<u>5.63%</u>
Total revenues	<u>533,666</u>	<u>100.00%</u>	<u>613,917</u>	<u>100.00%</u>
<u>Direct Program Expenses for the Health Welfare and Social Services Function:</u>				
Supportive services:				
Transportation for the elderly	36,233	5.92%	39,210	6.26%
Other supportive services	40,563	6.62%	60,175	9.60%
Nutrition services:				
Congregate meals	114,918	18.75%	114,478	18.27%
Home-delivered meals	100,234	16.36%	127,091	20.29%
Other social service programs and activities	26,066	4.25%	20,712	3.31%
Direct administrative expenses	<u>294,750</u>	<u>48.10%</u>	<u>264,797</u>	<u>42.27%</u>
Total expenses	<u>612,764</u>	<u>100.00%</u>	<u>626,463</u>	<u>100.00%</u>
Increase (decrease) in net position	(79,098)		(12,546)	
Net position, beginning of the year	<u>2,073,732</u>		<u>2,086,278</u>	
Net position, end of the year	\$ <u>1,994,634</u>		\$ <u>2,073,732</u>	

As illustrated by the table above, 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 in the table have been presented by primary programs, with some additional details about the subprograms. In presenting this information, only direct program expenses are shown. The administrative expenses include all administrative expenses of the Council before any allocations were made to the various programs. Percentages have been presented for the expenses associated with each program for ease of

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Webster Voluntary Council on Aging, Inc.

June 30, 2019

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 \$79,098 decrease in its net position for FY 2019, whereas the decrease in net position for FY 2018 was \$12,546. There is a reconciliation that follows the Statement of Revenues, Expenditures, and Changes in Fund Balances that presents an analysis of why there are differences between that particular fund financial statement and the government-wide Statement of Activities for FY 2019.

#### AN ANALYSIS OF 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 supportive 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 related 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. 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 2019 total administration expenses were \$294,750 or 48% of total expenses. For 2018, total administrative expenses were \$264,797 or 42% 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.

#### AN ANALYSIS OF THE COUNCIL'S FUNDS USING GOVERNMENTAL FUND FINANCIAL STATEMENTS

##### **Fund Balances**

The Council presents a combined governmental fund balance of \$214,474 (shown on the Fund Financial Statement's Balance Sheet) at the end of this year, which is a decrease of \$3,952 from 2018. When you look at the funds individually, you will see that the Council's General fund increased by \$5,516 this year, while the Special Revenue funds had a combined fund balance decrease of \$9,468.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Webster Voluntary Council on Aging, Inc.**

**June 30, 2019**

**Revenues**

The combined fund revenues decreased by \$48,751 this year versus last year, as shown in the table below.

	<u>2019</u>	<u>2018</u>	<u>Increase/(decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Intergovernmental	\$ 483,005	\$ 503,173	\$ (20,168)	(4.01)%
Public support	69,049	63,440	5,609	8.84%
Miscellaneous	<u>363</u>	<u>34,555</u>	<u>(34,192)</u>	(98.95)%
 Total revenues	 \$ <u>552,417</u>	 \$ <u>601,168</u>	 \$ <u>(48,751)</u>	 (8.11)%

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 \$483,005 (2019) and \$503,173 (2018) and represent about 87% and 84% of the total revenues of the Council in 2019 and 2018, 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 grants amounts may vary based upon the level of service provided by the Council under the terms of the particular grant award. The primary reason for the decrease in intergovernmental revenues this year was because the Council received Police Jury funding for 2019 in the prior year.

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 2019 were \$69,049 (\$63,440 for 2018) and represented about 12% and 11% of the total revenues for 2019 and 2018, respectively. Public support increased slightly over last years.

**Expenditures**

Total expenditures decreased by \$19,939 this year, as shown in the table that follows:

	<u>2019</u>	<u>2018</u>	<u>Increase/(decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Personnel	\$ 253,347	\$ 276,368	\$ (23,021)	(8.33)%
Fringe	19,551	18,588	963	5.18%
Travel	14,767	16,212	(1,445)	(8.91)%
Operating services	95,106	84,671	10,435	12.32%
Operating supplies	13,586	15,254	(1,668)	(10.93)%
Other costs	7,500	3,845	3,655	95.05%
Meals	140,623	161,370	(20,747)	(12.86)%
Capital outlay	<u>11,889</u>	<u>-</u>	<u>11,889</u>	100.00%
 Total	 \$ <u>556,369</u>	 \$ <u>576,308</u>	 \$ <u>(19,939)</u>	 (3.46)%

The largest areas of decrease occurred in personnel and meals. The Council had capital outlay this year of \$11,889.

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**Webster Voluntary Council on Aging, Inc.**

**June 30, 2019**

AN ANALYSIS OF THE GENERAL FUND BUDGET

Over the course of the past fiscal year, the budget was not amended. Overall, the Council’s General fund had a net favorable variance of \$5,516. The Council received \$6,853 more revenues than was budgeted, mainly from the Webster Parish Police Jury and interest income. Total expenses were \$14,218 more than budgeted, with actual travel, operating services, operating supplies and capital outlay exceeding budgeted amounts by \$16,255. Net transfers were less than budgeted by \$12,881.

ANALYSIS OF CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets, Net of Depreciation

	<u>2019</u>	<u>2018</u>	Increase (decrease)
Office furniture and equipment	\$ 10,003	\$ 2,190	\$ 7,813
Building & improvements	1,652,860	1,716,318	(63,458)
Land	<u>125,000</u>	<u>126,000</u>	<u>(1,000)</u>
	<u>\$ 1,787,863</u>	<u>\$1,844,508</u>	<u>\$(56,645)</u>

The net decrease in capital assets in 2019 is a result of depreciation expense of \$(55,184) and a loss on disposal of capital assets of \$(13,350), plus additions of capital assets of \$11,889.

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

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

The council receives most of its funding from federal and state agencies. Because of this, the source of income for the Council is rather steady. However, some of the Council’s grants and contracts are contingent upon the level of 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 YE 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.

CONTACTING THE COUNCIL’S MANAGEMENT

Our 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 that it receives. If you have any questions about this report or wish to ask for more information, you should contact Mrs. Patsy Dees the Council’s Executive Director, at the Council’s main office located at 1482 Sheppard Street, Minden, Louisiana, or by phone at (318) 371-3056.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Webster Voluntary Council on Aging, Inc.**  
**Statement of Net Position**  
**June 30, 2019**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 233,659
Receivables	1,785
Prepaid expenses	4,503
Capital assets:	
Land	125,000
Depreciable assets, net of depreciation	<u>1,662,863</u>
 TOTAL ASSETS	 <u>2,027,810</u>
 <b>LIABILITIES</b>	
Accounts payable	22,849
Payroll liabilities	2,124
Unearned revenue	500
Long-term liabilities:	
Compensated absences payable	<u>7,703</u>
 TOTAL LIABILITIES	 <u>33,176</u>
 <b>NET POSITION</b>	
Invested in capital assets, net of debt	1,787,863
Restricted for:	
NSIP	18,960
Unrestricted	<u>187,811</u>
 TOTAL NET POSITION	 <u>\$ 1,994,634</u>

The accompanying notes are an integral part of this statement.

STATEMENT B

Webster Voluntary Council on Aging, Inc.  
Statement of Activities  
For the Year Ended June 30, 2019

	<u>Direct</u> <u>Expenses</u>	<u>Indirect</u> <u>Expenses</u>	<u>Program</u> <u>revenues</u> <u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Net (expenses)</u> <u>revenues and</u> <u>Changes in Net Position</u> <u>Governmental</u> <u>Activities</u>
<b>Governmental Activities</b>				
Health, welfare, & social services:				
Supportive Services:				
Homemaker	\$ 36,233	\$ 23,939	\$ 36,858	\$ (23,314)
Information and assistance	3,765	4,163	5,762	(2,166)
Outreach	3,173	2,082	2,881	(2,374)
Legal assistance	2,800	-	2,800	-
Transportation	30,356	17,695	25,778	(22,273)
Other priority services	469	4,163	2,962	(1,670)
Nutrition Services:				
Congregate meals	114,918	64,793	145,540	(34,171)
Home delivered meals	100,234	58,036	127,134	(31,136)
Disease prevention and health promotion	3,800	745	4,583	38
National Family Caregiver Support	22,266	9,653	26,322	(5,597)
Administration	294,750	(185,269)	25,013	(84,468)
Total Governmental Activities	<u>\$ 612,764</u>	<u>\$ -</u>	<u>\$ 405,633</u>	<u>\$ (207,131)</u>
General revenues:				
Grants and contributions not restricted				127,670
Interest income				363
Total general revenues and special items				<u>128,033</u>
Increase (decrease) in net position				(79,098)
Net position - beginning of year				2,073,732
Net position - end of year				<u>\$ 1,994,634</u>

See accompanying notes are an integral part of this statement.

**FUND FINANCIAL STATEMENTS**

Webster Voluntary Council on Aging, Inc.

STATEMENT C

Balance Sheet  
Governmental Funds

June 30, 2019

ASSETS	General	Title III B	Title III C-1	Title III C2	Nonmajor funds	Total
Cash	\$ 233,659	\$ -	\$ -	\$ -	\$ -	\$ 233,659
Receivables	1,785	-	-	-	-	1,785
Prepays	575	1,064	1,406	1,236	222	4,503
Due from other funds	-	469	8,012	6,116	22,742	37,339
Total assets	<u>\$ 236,019</u>	<u>\$ 1,533</u>	<u>\$ 9,418</u>	<u>\$ 7,352</u>	<u>\$ 22,964</u>	<u>\$ 277,286</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 542	\$ 1,533	\$ 9,418	\$ 7,352	\$ 4,004	\$ 22,849
Payroll taxes payable	2,124	-	-	-	-	2,124
Unearned revenue	500	-	-	-	-	500
Due to other funds	37,339	-	-	-	-	37,339
Total liabilities	<u>40,505</u>	<u>1,533</u>	<u>9,418</u>	<u>7,352</u>	<u>4,004</u>	<u>62,812</u>
<b>Fund balances:</b>						
Nonspendable - prepays	575	-	-	-	-	575
Restricted	-	-	-	-	18,960	18,960
Unassigned	194,939	-	-	-	-	194,939
Total fund balances	<u>195,514</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,960</u>	<u>214,474</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 236,019</u>	<u>\$ 1,533</u>	<u>\$ 9,418</u>	<u>\$ 7,352</u>	<u>\$ 22,964</u>	<u>\$ 277,286</u>

16

The accompanying notes are an integral part of this statement.

**STATEMENT D**

**Webster Voluntary Council on Aging, Inc.**

**Reconciliation of the Governmental Funds Balance Sheet to  
the Government-wide Statement of Net Position**

**For the Year Ended June 30, 2019**

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

Fund balances, total governmental funds (Statement C)	\$ 214,474
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements	1,787,863
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	<u>(7,703)</u>
Net position of governmental activities (Statement A)	<u>\$ 1,994,634</u>

The accompanying notes are an integral part of this statement.

**STATEMENT E**

**Webster Voluntary Council on Aging, Inc.**

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

**For the Year Ended June 30, 2019**

REVENUES	<u>General</u>	<u>Title III B</u>	<u>Title III C-1</u>	<u>Title III C2</u>	<u>Nonmajor funds</u>	<u>Total</u>
Intergovernmental:						
Governor's Office of Elderly Affairs	\$ 132,975	\$ 72,029	\$ 96,490	\$ 103,619	\$ 59,142	\$ 464,255
Webster Parish Police Jury	18,750	-	-	-	-	18,750
Public support (unrestricted)	19,707	-	-	-	-	19,707
Public support (restricted)	-	5,012	31,443	11,093	1,794	49,342
Interest income	363	-	-	-	-	363
Total revenues	<u>171,795</u>	<u>77,041</u>	<u>127,933</u>	<u>114,712</u>	<u>60,936</u>	<u>552,417</u>
EXPENDITURES						
Health, welfare, & social services:						
Current:						
Personnel	14,690	81,735	66,963	67,277	22,682	253,347
Fringe	1,175	6,284	5,188	5,164	1,740	19,551
Travel	393	6,562	541	5,188	2,083	14,767
Operating services	22,901	26,019	22,622	19,954	3,610	95,106
Operating supplies	1,766	5,490	1,987	1,756	2,587	13,586
Other costs	-	2,800	450	450	3,800	7,500
Meals	-	-	82,079	58,544	-	140,623
Capital outlay	1,517	2,808	3,713	3,265	586	11,889
Total expenditures	<u>42,442</u>	<u>131,698</u>	<u>183,543</u>	<u>161,598</u>	<u>37,088</u>	<u>556,369</u>
Excess (deficiency) of revenues over expenditures	129,353	(54,657)	(55,610)	(46,886)	23,848	(3,952)
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	54,657	55,610	46,886	6,183	163,336
Operating transfers out	(123,837)	-	-	-	(39,499)	(163,336)
Total other financing sources (uses)	<u>(123,837)</u>	<u>54,657</u>	<u>55,610</u>	<u>46,886</u>	<u>(33,316)</u>	<u>-</u>
Net increase (decrease) in fund balances	5,516	-	-	-	(9,468)	(3,952)
Fund balances - beginning of year	189,998	-	-	-	28,428	218,426
Fund balances - end of year	<u>\$ 195,514</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,960</u>	<u>\$ 214,474</u>

The accompanying notes are an integral part of this statement.

## Webster Voluntary 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, 2019**

Net change in fund balances, total governmental funds, Statement E	\$ (3,952)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation is more than capital outlays in the current period.	(43,295)
The net effect of various transactions involving capital assets (i.e. disposals) to increase (decrease) net position	(13,350)
Revenues previously recorded as deferred revenues in governmental funds that were recognized in prior years in the Statement of Activities, but in the current year in governmental funds	(18,750)
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	<u>249</u>
Change in net position - Statement of Activities, Statement B	<u>\$ (79,098)</u>

The accompanying notes are an integral part of this statement.

**WEBSTER VOLUNTARY COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

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

The accounting and reporting policies of Webster Council on Aging, Inc. (the Council) conform to the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental and financial reporting principles. Governments are also required to follow pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, (when applicable) that do not conflict with or contradict GASB pronouncements. The following is a summary of certain significant accounting policies used by the Council:

**a. Purpose of the Council on Aging**

The purpose of the Council is to collect facts and statistics and make special studies of conditions pertaining to the employment, financial status, recreation, social adjustment, mental and physical health, or other conditions affecting the welfare of the aging people in Webster Parish, Louisiana; to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States; to interpret its findings to the citizens of the Parish and state; to provide for a mutual exchange of ideas and information on the parish and state level; to conduct public meetings to make recommendations for needed improvements and additional resources; to promote the welfare of aging people; to coordinate and monitor services of other local agencies serving the aging people of the parish; and 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 providing 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. The Louisiana Legislature created the Governor's Office of Elderly Affairs (GOEA) (LA R.S. 46:931) with the specific intention to 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 Statutes (La.R.S.) 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 Voluntary Council on Aging, Inc. (the Council) is a legally separate, non-profit, quasi-public corporation. The Council received its charter from the governor of the State of Louisiana on 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 COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

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.

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 the 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 any component units. 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 a primary government.

**c. Basis of Presentation of the Basic Financial Statements**

The Council's basic financial statements consist of "government-wide" financial statements on all activities of the Council, which are designed to report the Council as a whole entity, and "fund" financial statements, the purpose of which are to report individual governmental funds and combined nonmajor governmental funds.

Both the government-wide and fund financial statements categorize primary activities as either "governmental" or "business-type". The Council's functions and programs have 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 change 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 presented for total governmental activities. The numbers are presented on a full accrual 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 supported by

**WEBSTER VOLUNTARY COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

general government revenues such as intergovernmental revenues, and unrestricted investment income, 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 then reduces the expenses by related program revenues, such as charges for services, operating and capital grants, and restricted contributions, to derive the net cost of each function or program. Program revenues must be directly associated with the function or program to be used to directly offset its cost. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

Direct expenses reported in the Statement of Activities are those that are clearly identifiable with a specific function or program, whereas, the Council allocates its indirect expenses various functions and programs in accordance with 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (aka the “Supercircular”) The Statement of Activities shows this allocation in a separate column labeled “indirect expenses.”

In the Statement of Activities, charges for services represent program revenues obtained by the Council when it renders services provided by a specific function or program to people or 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 was 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 governmental functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be and the means by which spending activities are controlled.

The Council uses governmental fund types. The focus of the governmental funds’ measurement (in the fund statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the primary operating fund of the Council or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type. In addition, management may also choose to report any other governmental fund as a major fund if it believes the fund is particularly important to financial statement users. The nonmajor funds are summarized by category or fund type into a single column in the fund financial statements.

Governmental fund equity is called the fund balance. Fund balance is further classified a hierarchy that shows, from the highest to the lowest, the level or form of constraints on a fund balance and

**WEBSTER VOLUNTARY COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

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:

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

**Local Programs and Funding**

The Council receives revenues that are not required to be accounted for in a specific program or fund. Accordingly, these revenues have been recorded in the local program of the General fund. These funds are mostly unrestricted, which means they may be used at management's discretion. Expenditures that are not chargeable to specific programs because of budget limitations, or because of their nature, are recorded as local program expenditures. Because of their unrestricted nature, local funds are often 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 these "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 2019, the Council received this grant money into its General fund and management transferred \$37,500 of the PCOA funds to AAA, C-2, and IIID funds to help pay for those 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 grants funds can be used at management's discretion to pay for costs of any program involving elderly persons 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 \$58,136 of its Senior Center grant funds to Title IIC1 fund (\$13,567) and Title IIIB (\$44,569) and all \$10,542 Supplemental Senior Center grant funds to Title IIC1 to subsidize those program's costs 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 \$25,013 of AAA funding, which has been received and accounted for in the Council's 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

**WEBSTER VOLUNTARY COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

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 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 III B Fund**

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

<u>Type of Service Provided</u>	<u>Units</u>
Information and Assistance	248.0
Outreach	163.0
Homemaker	2,260.0
Legal	54.5
Transportation for persons age 60 or older	2,022.0
Wellness	1,045.0

There are 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 of \$25,013.
- PCOA funds of \$1,476.

**TITLE III C-1 FUND**

The Title III C-1 Fund accounts for funds that are used to provide nutritional congregate meals to persons age 60 or older in strategically located centers throughout Webster Parish. The Council maintains meal sites Minden and Springhill. During the year, the Council provided 22,495 meals to people eligible to participate in this program.

**WEBSTER VOLUNTARY COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

There were four main sources of revenues received this year that form basis of this fund:

- A grant from the GOEA for Special Programs for the Aging Title III, Part C-1 Nutrition Services \$96,490.
- Senior Center and Supplemental Senior Center grants of \$24,109.
- Nutritional Services Incenter Program grants of \$27,076.
- Restricted, voluntary public support \$31,442 from those persons who received congregate meals services

**Title III C-2 Fund**

The Title III C-2 Fund is used to account for funds that are used to provide nutritional meals to homebound people who are age 60 or older. During the year the Council provided 15,694 home-delivered meals.

There were four main sources of revenues received this year that form the basis of this fund:

- A grant from the GOEA for Special Programs for the Aging - Title III, Part C-2 Nutrition Services \$103,619.
- Restricted, voluntary public support \$11,092 from those persons who received home-delivered meals.
- Nutritional Services Incenter Program grants of \$12,423.
- PCOA funds of \$30,307.

**Nonmajor Governmental Funds:**

**Title III D Fund**

The Title III D Fund accounts for funds used for wellness, which include disease prevention and health promotion activities. During the year the Council provided 168 units of wellness service to eligible participants in this program. 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 that are used to provide support services 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, 28 units of material aid, 36 units of public education, and 59 units of sitter services under this program. The main source of the revenue forming the basis for this fund is a grant the Council received GOEA for the Title III, Part E National Family Caregivers Support Program.

**WEBSTER VOLUNTARY COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

**NSIP**

Nutrition Services Incentive Program (NSIP) funds \$30,031 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.

- **Accrual Basis – Government-wide Financial Statements (GWFS):**

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.

- **Modified Accrual Basis – Fund Financial Statements (FFS):**

Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. A current financial resources measurement focus means that only current assets and current liabilities are generally included on the fund balance sheet. The operating statements of the funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. “Measurable” means the amount of transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be “available” if they are collected within sixty days of the current fiscal year end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred, if measurable, except for the following: (1) unmatured principal and interest on long-term debt, if any, are recorded when due, and (2) claims, judgments, and compensated absences are recorded as expenditures when paid with expendable available financial resources. Depreciation and amortization are costs that are not recognized in the governmental funds.

**e. Interfund Activity**

In the fund financial 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. In other words, they are not expected to be repaid.

In the government-wide financial statements, all types of interfund transactions are eliminated when presenting the governmental activity information.

**WEBSTER VOLUNTARY COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

**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 or earned by the Council with an explicit understanding between the Council and the resource provider that the resource would be used for a specific purpose. At year end, 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 deposit with redemption terms that do not consider market rates. This type of investment is reported using a cost-based measure, provided the fair market value of the contract is not significantly affected by the impairment of credit standing of the issuer or other factors. The Council did not own any investments of this type at year end.

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

**i. Prepaid Expenses/Expenditures**

In the government-wide financial statements, prepaid expenses include amounts paid for 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 \$4,503 at June 30, 2019.

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

For purpose 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

**WEBSTER VOLUNTARY COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

one exception. Occasionally, with council on aging type entities, disbursements made as “matching” payments acquire vehicles that will be titled to another government. When this type of transaction occurs, the disbursement is recorded as prepaid expense and amortized in the Statement of Net Position to better present the economies of this type of transaction and to keep from distorting the Council’s transportation expenses in the Statement of Activities. In contrast, 100% of the “matching” payments are reported in the fund financial statements as intergovernmental expenditures when the vehicles are received. The Council did not have any “matching” type transactions this year.

**j. Capital Assets**

The accounting and reporting treatment used for 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 cost. If the asset was donated, then it is recorded at its acquisition value at the date of donation. Capital assets will also include major repairs to equipment and vehicles that significantly extend the asset’s useful life. Routine repairs and maintenance are expensed as incurred.

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

Office equipment - other than computers	6 years
Vehicles	5 years
Computer equipment	5 years
Leasehold improvements	20 years
Nutrition equipment	10 years

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

**Fund Financial Statements**

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

**WEBSTER VOLUNTARY COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

**k. Non-Current (Long-Term) Liabilities**

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

**l. Unpaid Compensated Absences**

The Council's policy for vacation time allows its employees to accumulate earned but unused vacation leave. According, 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. Grant 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 \$935 to funding agencies at year end.

**n. Deferred Revenue**

The Council reports deferred revenues on both the Statement of Net Position (government-wide) and the Balance Sheet (fund financial statements). Deferred revenues arise when the Council receives resources before it has a legal claim to them, as when grant monies are received before the occurrence of qualifying expenditures. In subsequent periods, when the Council has a legal claim to the resources, the liability for deferred revenue is removed from the Statement of Net Position and the Fund 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 COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

**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:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being nonspendable as this item is not expected to be converted to cash.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources that are either:
  - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or
  - Imposed by law through constitutional provisions or enabling legislation.

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

- **Committed:** This classification includes amounts can be used for specific purposes pursuant to constraints imposed by formal action (resolution) of Council's board of directors, which is the Council's highest level of decision authority. These amounts cannot be used for any purpose unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council did not have any committed resources as of year-end.
- **Assigned:** This classification includes spendable amounts that are reported in governmental funds *other than the General Fund*, that are neither restricted or committed, and the amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by either the Council's board of directors, or a subordinate high-level body, such as a finance committee, or an official, such as the executive director, that has the authority to assign amounts to be used for specific purposes. The Council has no assigned fund balance at year-end.
- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents

**WEBSTER VOLUNTARY COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the Council will generally use the most restrictive funds first in the following order: restricted, committed, assigned, 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 in the Government-wide Financial Statements**

In the government-wide Statement of Net Position, the net position amount is classified and displayed in three different components.

- Invested in capital assets - This component 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 capital assets. At year end the Council did not have any borrowings that were related to capital assets.
- Restricted net position. This component consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional or enabling legislation.
- Unrestricted net position -- This component consists of all other net position that do not meet the definition of "restricted" or "invested in capital" assets.

When both restricted and unrestricted resources are available for use in a specific program or for a specific purpose, it is the Council's usual policy is 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. Management's Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**s. Allocation of Indirect Expenses**

The Council reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are recorded as direct costs of the administration function. The net cost of the administration function is allocated using a formula based primarily on the relationship the direct

**WEBSTER VOLUNTARY COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

cost a program bears to the direct cost of all programs. There are some programs that cannot absorb any indirect expense allocation according to their grant or contract restrictions.

**t. Elimination and Reclassifications**

In the process of aggregating data for the Statement of Net Position and the Statement 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.

**Note 2 - Revenue Recognition**

Revenues are recorded in the government-wide financial statements when they are earned under 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 are usually both measurable and available. However, the timing and amounts of the receipts of public support and miscellaneous revenues are often difficult to measure; therefore, they are recorded as revenue in the period received.

**Note 3 – Cash Management and Bank Deposits**

The Council maintain consolidated operating bank accounts at B1 Bank, which are available for use by all funds to deposit revenues and pay expenses. The purpose of the consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds.

The Council also maintains another demand deposit account at B1 Bank for making payroll disbursements.

At year end, the carrying amount of the Council's cash balances was \$233,659, whereas, the bank balances totaled \$241,180. The difference in the book and bank balances for cash balances related primarily to outstanding deposits and checks at year end. All bank balances were collateralized by FDIC insurance.

**WEBSTER VOLUNTARY COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

**Note 4 – Prepaid expenditures**

At year-end, prepaid expenditures in the fund balance sheet and government-wide Statement of Net Position consisted of \$3,186 of prepaid insurance and \$1,317 of computer maintenance and license fees.

**Note 5 – Changes in Capital Assets and Accumulated Depreciation**

A summary of changes in capital assets and accumulated depreciation is as follows:

	Balance June 30 <u>2018</u>	Additions	Deletions	Balance June 30 <u>2019</u>
Capital assets, not being depreciated:				
Land	\$ <u>126,000</u>	\$ _____	\$ <u>1,000</u>	\$ <u>125,000</u>
Capital assets being depreciated:				
Building & improvements	1,937,725	-	19,000	1,918,725
Vehicles	77,874	-	-	77,874
Furniture & equipment	<u>59,083</u>	<u>11,889</u>	<u>17,528</u>	<u>53,444</u>
Total capital assets being depreciated	<u>2,074,682</u>	<u>11,889</u>	<u>36,528</u>	<u>2,050,043</u>
Less accumulated depreciation for:				
Building & improvements	221,407	51,108	6,650	265,865
Vehicles	77,874	-	-	77,874
Furniture and equipment	<u>56,893</u>	<u>4,076</u>	<u>17,528</u>	<u>43,441</u>
Total accumulated depreciation	<u>356,174</u>	<u>55,184</u>	<u>24,178</u>	<u>387,180</u>
Total capital assets, being depreciated, net	<u>1,718,508</u>	<u>(43,295)</u>	<u>12,350</u>	<u>1,662,863</u>
Governmental activities capital assets, net	\$ <u>1,844,508</u>	\$ <u>(43,295)</u>	\$ <u>13,350</u>	\$ <u>1,787,863</u>

None of the above amounts includes any donated assets. The Council's management has reviewed the capital assets and does not believe any capital assets are impaired as of year-end.

Depreciation was charged to administration.

The \$55,184 of depreciation associated with the administration function relates to capital assets that essentially serve all functions. Accordingly, it is included as a direct expense of the administration function on the Statement of Activities.

**Note 6 – Fund Balances – Fund Financial Statements**

At year-end, one special revenue fund had remaining fund balance of \$18,960 which was classified as restricted. Usually, the fund balances of the special revenue funds are cleared out at year-end to comply with the administration and accounting policies of the grantor agencies that have awarded the Council certain grants. However, there are exceptions to these policies as described in the next paragraph.

**WEBSTER VOLUNTARY COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

The Council has \$18,960 Nutrition Services Incentive Program funds for meals services that remain unspent as of year-end. The donors restrict these contributions for specific purposes. Accordingly, management separately accounts for them in a special revenue fund to ensure accountability.

In addition, the General fund has \$575 classified as nonspendable for prepaid expenses.

**Note 7 - 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 acquisition 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.

**Note 8 – 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.

**Note 9 - Income Tax Status**

The Council, a non-profit corporation, is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code of 1986, and as an organization that is not a private foundation as defined in Section 509 (a) of the Code. The Council is also exempt from Louisiana Income tax. 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 years ended June 30, 2016 and later are subject to review by the Internal Revenue Service.

**Note 10 – 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. Furthermore, the Council’s management believes that any unexpected lawsuits or claims that might be filed against the Council would be adequately covered by insurance or resolved without any material impact upon the Council’s financial statements.

**Note 11 – Contingencies – Grant Programs**

The Council participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies, therefore, to the extent that the Council has not complied with the rules and regulations governing the grants, refunds of any money and the collectability of any related receivable at year end may be impaired. In management’s opinion, there are no

**WEBSTER VOLUNTARY COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Council.

**Note 12 - Economic Dependency**

The Council receives the majority of its revenue from other governments, such as the Governor’s Office of Elderly Affairs (GOEA) and the Webster Parish Police Jury, in the form of intergovernmental revenues. These revenues are appropriated each year by the federal, state, and parish governments. If significant budget cuts are made at the federal, state or parish 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 year 2020 relating to its usual sources of intergovernmental revenues.

**Note 13 – Risk Management**

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. No settlements were made during the current or prior three fiscal years that exceeded the Council’s insurance coverage.

The Council’s management has not purchased commercial insurance or made provision to cover or reduce the risk of loss, as a result of business interruption and certain acts of God.

**Note 14 - Interfund Receivables and Payables**

Because the Council operates most of its programs under cost reimbursement type grants, it has to pay for cost 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:

	<u>Due from other funds</u>	<u>Due to other funds</u>
General fund	\$ -	\$ 37,339
Major funds:		
Title III B	469	-
Title III C-1	8,012	-
Title III C-2	6,116	-
Nonmajor funds:		
Title III D	1,231	-
Title III E	2,551	-
USDA/NSIP	<u>18,960</u>	-
Totals	<u>\$ 37,339</u>	<u>\$ 37,339</u>

**WEBSTER VOLUNTARY COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

**Note 15 – Interfund Transfers**

Operating transfers to and from the various funds are as follows for the year ended June 30, 2019:

<u>Transferred to</u>	<u>Funds Transferred From</u>					<u>Total</u>
	<u>Local</u>	<u>PCOA</u>	<u>NSIP</u>	<u>Supplemental Senior Center</u>	<u>Senior Center</u>	
Special revenue funds:						
Major Funds:						
III B	\$ 10,088	\$ -	\$ -	\$ -	\$ 44,569	\$ 54,657
III C-1	4,426	-	27,076	10,541	13,567	55,610
III C-2	4,156	30,307	12,423	-	-	46,886
Non-major funds						
III E	<u>4,303</u>	<u>1,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,183</u>
Total special revenue funds	\$ <u>22,973</u>	\$ <u>32,187</u>	\$ <u>39,499</u>	\$ <u>10,541</u>	\$ <u>58,136</u>	\$ <u>163,336</u>

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

These transfers were eliminated as a part of the consolidation process in preparing the Government-wide Financial Statements.

**Note 16 – Related Party Transactions**

There were no related party transactions during the fiscal year.

**Note 17 – Subsequent Events**

Subsequent events have been evaluated through December 31, 2019, which is the date the financial statements were available to be issued, and determined no additional disclosures are necessary.

**REQUIRED SUPPLEMENTARY INFORMATION**

## Webster Voluntary Council on Aging, Inc.

**Budgetary Comparison Schedule - General Fund**  
**For the year ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>Modified</u> <u>accrual basis</u>	<u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 133,217	\$ 133,217	\$ 132,975	\$ (242)
Webster Parish Police Jury	9,334	9,334	18,750	9,416
Public support (unrestricted)	22,391	22,391	19,707	(2,684)
Interest income	-	-	363	363
Total revenues	<u>164,942</u>	<u>164,942</u>	<u>171,795</u>	<u>6,853</u>
<b>EXPENDITURES</b>				
Health, welfare, & social services:				
Current:				
Personnel	14,690	14,690	14,690	-
Fringe	1,212	1,212	1,175	37
Travel	79	79	393	(314)
Operating services	9,473	9,473	22,901	(13,428)
Operating supplies	770	770	1,766	(996)
Other costs	2,000	2,000	-	2,000
Capital outlay	-	-	1,517	(1,517)
Total expenditures	<u>28,224</u>	<u>28,224</u>	<u>42,442</u>	<u>(14,218)</u>
Excess (deficiency) of revenues over expenditures	136,718	136,718	129,353	(7,365)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	1,211	1,211	-	(1,211)
Operating transfers out	<u>(137,929)</u>	<u>(137,929)</u>	<u>(123,837)</u>	<u>14,092</u>
Total other financing sources (uses)	<u>(136,718)</u>	<u>(136,718)</u>	<u>(123,837)</u>	<u>12,881</u>
Net increase (decrease) in fund balances	-	-	5,516	5,516
Fund balances - beginning	<u>189,998</u>	<u>189,998</u>	<u>189,998</u>	<u>-</u>
Fund balances - ending	<u>\$ 189,998</u>	<u>\$ 189,998</u>	<u>\$ 195,514</u>	<u>\$ 5,516</u>

See notes to required supplementary information.

## Webster Voluntary Council on Aging, Inc.

**Budgetary Comparison Schedule - Title III B Fund**  
**For the year ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>Modified</u> <u>accrual basis</u>	<u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 72,119	\$ 72,119	\$ 72,029	\$ (90)
Public support (restricted)	4,500	4,500	5,012	512
Total revenues	<u>76,619</u>	<u>76,619</u>	<u>77,041</u>	<u>422</u>
<b>EXPENDITURES</b>				
Health, welfare, & social services:				
Current:				
Personnel	83,716	83,716	81,735	1,981
Fringe	6,904	6,904	6,284	620
Travel	6,074	6,074	6,562	(488)
Operating services	28,133	28,133	26,019	2,114
Operating supplies	8,120	8,120	5,490	2,630
Other costs	2,814	2,814	2,800	14
Capital outlay	-	-	2,808	(2,808)
Total expenditures	<u>135,761</u>	<u>135,761</u>	<u>131,698</u>	<u>4,063</u>
Excess (deficiency) of revenues over expenditures	(59,142)	(59,142)	(54,657)	4,485
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	59,142	59,142	54,657	(4,485)
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>59,142</u>	<u>59,142</u>	<u>54,657</u>	<u>(4,485)</u>
Net increase (decrease) in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

## Webster Voluntary Council on Aging, Inc.

**Budgetary Comparison Schedule - Title III C-1 Fund**  
**For the year ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>Modified</u> <u>accrual basis</u>	<u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 96,490	\$ 96,490	\$ 96,490	\$ -
Public support (restricted)	25,000	25,000	31,443	6,443
Total revenues	<u>121,490</u>	<u>121,490</u>	<u>127,933</u>	<u>6,443</u>
<b>EXPENDITURES</b>				
Health, welfare, & social services:				
Current:				
Personnel	64,485	64,485	66,963	(2,478)
Fringe	5,318	5,318	5,188	130
Travel	253	253	541	(288)
Operating services	23,966	23,966	22,622	1,344
Operating supplies	2,025	2,025	1,987	38
Other costs	600	600	450	150
Meals	79,513	79,513	82,079	(2,566)
Capital outlay	-	-	3,713	(3,713)
Total expenditures	<u>176,160</u>	<u>176,160</u>	<u>183,543</u>	<u>(7,383)</u>
Excess (deficiency) of revenues over expenditures	(54,670)	(54,670)	(55,610)	(940)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	54,670	54,670	55,610	940
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>54,670</u>	<u>54,670</u>	<u>55,610</u>	<u>940</u>
Net increase (decrease) in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

## Webster Voluntary Council on Aging, Inc.

**Budgetary Comparison Schedule - Title III C-2 Fund**  
**For the year ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>Modified</u> <u>accrual basis</u>	<u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 103,619	\$ 103,619	\$ 103,619	\$ -
Public support (restricted)	<u>10,456</u>	<u>10,456</u>	<u>11,093</u>	<u>637</u>
Total revenues	<u>114,075</u>	<u>114,075</u>	<u>114,712</u>	<u>637</u>
<b>EXPENDITURES</b>				
Health, welfare, & social services:				
Current:				
Personnel	88,562	88,562	67,277	21,285
Fringe	7,304	7,304	5,164	2,140
Travel	4,260	4,260	5,188	(928)
Operating services	24,556	24,556	19,954	4,602
Operating supplies	1,939	1,939	1,756	183
Other costs	600	600	450	150
Meals	54,890	54,890	58,544	(3,654)
Capital outlay	-	-	3,265	(3,265)
Total expenditures	<u>182,111</u>	<u>182,111</u>	<u>161,598</u>	<u>20,513</u>
Excess (deficiency) of revenues over expenditures	(68,036)	(68,036)	(46,886)	21,150
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	68,036	68,036	46,886	(21,150)
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>68,036</u>	<u>68,036</u>	<u>46,886</u>	<u>(21,150)</u>
Net increase (decrease) in fund balances	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

**Webster Voluntary Council on Aging, Inc.**

**Notes to Required Supplementary Information  
For the Year Ended June 30, 2019**

**NOTE 1 - BUDGETARY REPORTING**

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

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

- Revenue projections are made based on grants from GOEA and other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- Expenditure projections are developed using historical information and changes to the upcoming year that management is aware of at the time of budget preparation.
- Once the information regarding projected revenues and expenditures has been obtained, the Council's executive director and bookkeeper prepare a proposed budget based on the projections. The proposed budget is submitted to the Board of Directors for final approval.
- The Board of Directors reviews and adopts the budget for the next fiscal year at a regularly scheduled board meeting before May 31 of the current fiscal year.
- The adopted budget is forwarded to GOEA for compliance approval.
- The budget is prepared on a modified accrual basis, consistent with the basis of accounting for governmental funds, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying required supplementary information include the original adopted budget amounts and all subsequent amendments. During the fiscal year 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 Governor's 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.
- Budgeted expenditures cannot exceed budgeted revenues on an individual fund level, unless a large enough fund balance exists to absorb the budgeted operating deficit.
- The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some activities may not be budgeted, particularly if they are deemed to be immaterial by management.

**SUPPLEMENTARY INFORMATION**

## Webster Voluntary Council On Aging, Inc.

Combining Balance Sheet  
Nonmajor Governmental Funds

June 30, 2019

	<u>Title III D</u>	<u>Title III E</u>	<u>USDA/ NSIP</u>	<u>Total</u>
<b>ASSETS</b>				
Prepays	\$ 15	\$ 207	\$ -	\$ 222
Due from other funds	<u>1,231</u>	<u>2,551</u>	<u>18,960</u>	<u>22,742</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,246</u>	<u>\$ 2,758</u>	<u>\$ 18,960</u>	<u>\$ 22,964</u>
<b>LIABILITIES</b>				
Accounts payable	<u>1,246</u>	<u>2,758</u>	<u>-</u>	<u>4,004</u>
<b>Total liabilities</b>	<u>1,246</u>	<u>2,758</u>	<u>-</u>	<u>4,004</u>
<b>FUND BALANCE</b>				
Restricted	<u>-</u>	<u>-</u>	<u>18,960</u>	<u>18,960</u>
<b>TOTAL LIABILITIES AND AND FUND BALANCE</b>	<u>\$ 1,246</u>	<u>\$ 2,758</u>	<u>\$ 18,960</u>	<u>\$ 22,964</u>

## Webster Voluntary Council On Aging, Inc.

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

For the Year Ended June 30, 2019

	<u>Title III D</u>	<u>Title III E</u>	<u>USDA/ NSIP</u>	<u>Total</u>
<b>REVENUES</b>				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 4,583	\$ 24,528	\$ 30,031	\$ 59,142
Public support (restricted)	-	1,794	-	1,794
Total revenues	<u>4,583</u>	<u>26,322</u>	<u>30,031</u>	<u>60,936</u>
<b>EXPENDITURES</b>				
Health, welfare, & social services:				
Current:				
Personnel	407	22,275	-	22,682
Fringe	31	1,709	-	1,740
Travel	6	2,077	-	2,083
Operating services	275	3,335	-	3,610
Operating supplies	24	2,563	-	2,587
Other costs	3,800	-	-	3,800
Capital outlay	40	546	-	586
Total expenditures	<u>4,583</u>	<u>32,505</u>	<u>-</u>	<u>37,088</u>
Excess (deficiency) of revenues over expenditures	-	(6,183)	30,031	23,848
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	-	6,183	-	6,183
Operating transfers out	-	-	(39,499)	(39,499)
Total other financing sources (uses)	<u>-</u>	<u>6,183</u>	<u>(39,499)</u>	<u>(33,316)</u>
Net increase (decrease) in fund balances	-	-	(9,468)	(9,468)
Fund balances - beginning	-	-	28,428	28,428
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,960</u>	<u>\$ 18,960</u>

## Webster Voluntary Council on Aging, Inc.

**Comparative Schedule of Capital Assets and  
Changes in Capital Assets  
For the Year Ended June 30, 2019**

	Balance June 30, <u>2018</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2019</u>
Capital assets				
Vehicles	\$ 77,874	\$ -	\$ -	\$ 77,874
Office equipment	17,455	11,889	8,449	20,895
Nutrition equipment	35,227	-	2,677	32,550
Building	1,889,102	-	19,000	1,870,102
Storage building	11,500	-	-	11,500
Parking lot	37,122	-	-	37,122
Other equipment	6,402	-	6,402	-
Land	<u>126,000</u>	<u>-</u>	<u>1,000</u>	<u>125,000</u>
Total capital assets	<u>\$ 2,200,682</u>	<u>\$ 11,889</u>	<u>\$ 37,528</u>	<u>\$ 2,175,043</u>
Investment in capital assets				
Property acquired with funds from:				
PCOA	\$ 56,620	\$ -	\$ 1,870	\$ 54,750
State of Louisiana	1,586,712	-	-	1,586,712
DOTD	62,305	-	-	62,305
Local	495,045	-	35,658	459,387
AAA	-	1,517	-	1,517
Title IIIB	-	2,808	-	2,808
Title IIIC1	-	3,713	-	3,713
Title IIIC2	-	3,265	-	3,265
Title IIID	-	546	-	546
Title IIIE	-	40	-	40
Total investment in capital assets	<u>\$ 2,200,682</u>	<u>\$ 11,889</u>	<u>\$ 37,528</u>	<u>\$ 2,175,043</u>

See independent accountants' review report.

**Webster Voluntary Council on Aging, Inc.**

**Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended June 30, 2019**

Agency Head: Patsy Dees, Executive Director

**Purpose:**

Salary \$ 50,420

## OTHER REPORTS

**WISE, MARTIN & COLE, L.L.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

601 Main Street P. O. Box 897  
Minden, Louisiana 71058-0897  
(318) 377-3171 Fax (318) 377-3177

MICHAEL W. WISE, CPA  
CARLOS E. MARTIN, CPA  
KRISTINE H. COLE, CPA

KRISTIE K. MARTIN, CPA  
HANNAH M. COLVIN, CPA

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Commissioners of the  
Webster Voluntary Council on Aging, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Webster Voluntary Council on Aging, Inc. (Council), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated December 31, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might by material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings, we did identify certain deficiencies in internal control, described in the accompanying schedule of findings 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 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 2019-01 and 2019-02 to be material weaknesses.

A *significant deficiency* is a deficiency, or 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 items 2019-03 and 2019-04 to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Webster Voluntary Council on Aging, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2019-05.

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

The Council's response to the findings identified in our audit is described in the accompanying schedule of findings. The 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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended purpose of these reports is limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Ulise, Marten & Cole LLC

Minden, Louisiana

December 31, 2019

## OTHER INFORMATION

**Webster Voluntary Council on Aging, Inc.**

**Schedule of Findings  
For Year Ended June 30, 2019**

**Finding 2019-01: Fiscal management needed**

**Specific requirement:** Accounting and information system should be designed to provide management with accurate and timely financial information to enable well-informed decisions to be made.

**Condition found:** 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.

**Possible asserted effect (cause and effect)**

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

**Effect or potential effect:** Accounting records separated by fund are out of balance.

**Recommendation to prevent future occurrences:** 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 Response:** New accounting software is in place, and we are working with software consultant to make sure financials are set up to facilitate needed reporting.

**Finding 2019-02: Maintenance of capital assets inventory records**

**Specific requirement:** Good internal controls require that procedures be developed to provide an accurate inventory of capital assets.

**Condition found:** Our discussions with management and our review of the detailed capital asset records revealed that numerous assets recorded on the Council's records have been disposed of or are no longer in use. Additions for the year, were not included on the listing.

**Possible asserted effect (cause and effect)**

**Cause:** Unknown

**Effect or potential effect:** Inaccurate reporting of capital asset inventory.

**Webster Voluntary Council on Aging, Inc.**

**Schedule of Findings  
For Year Ended June 30, 2019**

**Recommendation to prevent future occurrences:** We suggest the Council perform a complete inventory of capital assets, and establish procedures to ensure that listings are updated annually.

**Management Response:** We agree and will implement recommendations.

**Finding 2019-03: Cash collections not deposited daily**

**Specific requirement:** Good internal controls and the Council policy requires that cash collections be deposited daily.

**Condition found:** Our audit testing revealed that management is not making daily deposits of cash to the bank.

**Possible asserted effect (cause and effect)**

**Cause:** Due to time constraints, daily collections deposits are kept in safe until able to be counted.

**Effect or potential effect:** Threat of a loss of cash before deposited.

**Recommendation to prevent future occurrences:** We suggest that during times of heavy cash inflow, deposits be taken to the bank on a daily basis.

**Management Response:** We have implemented procedures to make deposits timely.

**Finding 2019-04: Compensated absence records**

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

**Condition found:** Policy indicates that the maximum accrual for full time employees is 96 hours. Two employees are being allowed to carryover an in excess of the 96 hours, with no written documentation to support this practice. Also noted differences between leave calculations and leave requests. Calculations were corrected by management after being brought to their attention.

**Possible asserted effect (cause and effect)**

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

**Webster Voluntary Council on Aging, Inc.**

**Schedule of Findings  
For Year Ended June 30, 2019**

Effect or potential effect: Inaccurate reporting of compensated absences.

**Recommendation to prevent future occurrences:** We suggest the Council develop procedures to ensure that errors in calculations can be caught on a timely basis.

**Management Response:** We will obtain necessary written documentation to support approvals for excess hours to grandfathered employees. Director will begin reviewing compensated absence calculations on a quarterly basis.

**Finding 2019-05: Budget amendments**

**Specific requirement:** 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.

**Condition found:** The budget had changes in expenditure categories which exceeded 10%, and the budget was not amended.

**Possible asserted effect (cause and effect)**

Cause: Unknown

Effect or potential effect: Failure to amend budget does not meet requirement.

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

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

**Webster Voluntary Council on Aging, Inc.**

**Summary Schedule of Prior Year Findings  
For Year Ended June 30, 2019**

**There were two findings and one management letter comment for the year ended June 30, 2018, as follows:**

**ML 2018-1:**

**Finding:** GOEA requires that the budget be amended whenever there are changes in the categories that exceed 10%. The Council did not amend the budget whenever the changes in categories exceeded 10%.

**Current Status:** Not resolved, see 2019-05.

**Finding 2018-1**

**Finding:** Council did not maintain accurate accounting records for the year ended June 30 2018, causing a disclaimer of opinion

**Current Status:** Partially resolved, see 2019-01.

**Finding 2018-2**

**Finding:** Council did not file its financial statements with the Louisiana Legislative Auditor within six months after the Council's year-end.

**Current Status:** Resolved

# WISE, MARTIN & COLE, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

601 Main Street P. O. Box 897  
Minden, Louisiana 71058-0897  
(318) 377-3171 Fax (318) 377-3177

MICHAEL W. WISE, CPA  
CARLOS E. MARTIN, CPA  
KRISTINE H. COLE, CPA

KRISTIE K. MARTIN, CPA  
HANNAH M. COLVIN, CPA

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors of the Webster Voluntary  
Council on Aging, Inc. and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Webster Voluntary Council on Aging, Inc. (Council) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Council's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

---

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a. ***Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

***Exception: Management did not provide a written policy and procedures addressing the functions listed for disaster recovery/business continuity.***

### Collections (excluding EFTs)

---

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

*Management provided us the required list and representation.*

4. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete.

*Management provided us the required list and representation.*

Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

*At the Springhill location, I observed a lockbox, which the daily C1 program contributions are put into by participants. At the end of the day the money was counted and put in an envelope.*

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

*Employee responsible for collecting cash was not responsible for preparing/making bank deposit.*

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

*Employee responsible for collecting cash is not responsible for posting collection entries to the general ledger.*

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

*Employee responsible for reconciling the cash collections to the general ledger is not responsible for collecting cash.*

5. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

*No exception noted.*

6. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

*This procedure does not apply. The voluntary contributions are confidential, and no receipts are issued.*

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

*No exceptions noted.*

- c) Trace the deposit slip total to the actual deposit per the bank statement.

*No exceptions noted.*

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

***Exception: Deposits are not being made within one business day of receipt. Noted some collections were not deposited within a week. One collection was deposited more than a month after being collected.***

- e) Trace the actual deposit per the bank statement to the general ledger.

*No exceptions noted.*

***Management's response to exceptions: We will draft the policy and procedures addressing functions listed for disaster recovery/business continuity. In addition, the Board has opened a new bank account that will allow us to deposit timely at our Springhill location. We have implemented procedures to make deposits daily.***

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

*Wise Martin & Cole, LLC*

Minden, Louisiana  
December 31, 2019