

**WINN COUNCIL ON AGING, INC.
WINNFIELD, LOUISIANA**

**FINANCIAL STATEMENTS
AND
AUDITOR'S REPORTS**

June 30, 2012

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **FEB 20 2013**

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WINN COUNCIL ON AGING, INC. Winnfield, Louisiana

June 30, 2012

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD &A)

The following discussion and analysis of Winn Council on Aging's financial performance provides an overview of the Council's financial activities for the year ended June 30, 2012. Please read it in conjunction with the financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- > The Council showed a net increase in overall net assets of \$ 5,962 or 13% this year
- > Net Capital Assets of the Council increased by \$ 24,882 or 61%
- > The Unrestricted fund fund balance had a deficit of \$ 24,586 at year-end
- > The unreserved, undesignated fund balance for the Council's General Fund was (\$ 24,586) at year-end, which is a \$ 22,611 decrease from the prior year

HOW TO USE THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 9 and 10) provide information about the activities of the Council as a whole and present a longer-term view of the Council's finances. Fund financial statements begin on page 12. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Council's operations in more detail than the government-wide statements by providing information about the Council's most significant funds.

Our auditor has provided assurance in his independent auditor's report, located immediately after this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. The auditor is providing varying degrees of assurance about Supplementary Financial Information Required by GASB Statement 34 and Supplementary Financial Information Required by GOEA that follow later in the reporting package. A user of this report 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.

Reporting the Council as a Whole Using Government-Wide Statements

Our analysis of the Council as a whole begins on page 9. An important question to ask about the Council's finances is, "Is the Council as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets 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 answer this question. 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. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

The Government-Wide statements can be found on pages 9 and 10 and report the council's net assets and changes in them. Some of the net assets are restricted which means they can only be used for a specific purpose. The Statement of Net Assets is designed to present the financial position of the Council as of year-end. Over time, increases or decreases in the Council's net assets are one indicator of whether its financial position is improving or deteriorating. However, to assess the overall financial position of the Council, you will need to 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 show how the Council's net assets changed as a result of this year's activities. All of the Council's significant activities are reported in the Statement of Activities. These activities include a Health, Welfare, and Social Services function. The Health, Welfare, and Social Services function is comprised of various programs that include various supportive social services, nutritional services, and utility assistance. All activities of the Council are considered to be governmental activities. A governmental activity is one where the Council uses money it received from government grants and contracts, along with donations from 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 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.

Reporting the Council's Most Significant Funds Using Fund Financial Statements

Our analysis of the Council's major funds begins on page 12. The Fund Financial Statements can be found on pages 12 to 15 and provide detailed information about the most significant funds-not the Council as a whole. In the Fund Financial Statements you will see a General Fund and a variety of Special Revenue Funds. The General Fund is used to account for proceeds that are not legally restricted to expenditure for specified purposes. By using separate funds to track revenues and expenditures, we can control and manage funds for particular purposes or we can show that the fund is meeting legal responsibilities for using certain grants and other money.

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 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 you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Council's programs. We have presented the difference between the net assets of governmental activities and the fund balances of the governmental funds in a reconciliation at the bottom of the Balance Sheet for Governmental Funds. In addition, the difference between the change in net assets for the governmental funds and the change in net assets for the governmental activities has been presented in a reconciliation on a separate page that follows the statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16 to 26. You should read the notes before making assumptions or drawing conclusions about the Council's financial condition.

Supplementary Financial Information Required by GASB Statement 34

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

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 which we believe is important to present for the Council's financial statement users.

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

Other Supplementary Financial Information Required by GOEA

The Council has also presented other required supplemental information in this report package.

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present as schedules the information on pages 33 and 34. This information will be used by GOEA to verify the accuracy of information the Council submitted to it during the year and 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 net assets:

	<u>2011</u>	<u>2012</u>
Current and other assets	\$21,867	\$11,562
Capital Assets, net of depreciation	40,466	65,348
Total Assets	62,333	76,910
Current Liabilities	9,394	18,009
Long-Term Liabilities	7,915	7,915
Total Liabilities	17,309	25,924
Invested in capital assets, net of related debt	40,466	65,348
Restricted	6,533	10,224
Unrestricted	(1,975)	(24,586)
Total Net Assets	\$45,024	\$50,986

As of June 30, 2012, the Council "as a whole" had assets greater than its liabilities by \$ 50,986. The Council's total net assets increased from \$ 45,024 to \$ 50,986. This equates to an increase of 13%.

The Council's unrestricted net assets actually decreased by \$ 22,611 or 92% over the year. It is important that the Council maintain unrestricted net assets so that we will have resources available to adapt to changes in the economy, emergencies, unexpected needs, and reduction in or termination of grant revenues by government agencies.

The Council's restricted net assets increased by \$ 3,691 or 56%. Net assets are reported as restricted when the constraints placed upon the asset's use are either (a) externally imposed by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

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

AN ANALYSIS OF GOVERNMENTAL ACTIVITIES

Most of the Council's activities are funded by federal, state, and local grants. These grants amount to approximately 90% of the revenues of the Council in 2012 and 89% in 2011. Some of these grants are restricted, which means that the money can only be used in certain programs. The amount of funds available from most of the grants remains rather constant from year to year, however, some grant amounts may change based upon the level of service by the Council under terms of the particular grant award.

The Council also receives donations from its clients and the general public. These revenues help to lessen the financial burden on the Council and allow it to maintain and expand services. Public support revenues represented 9% and 10% of the total revenues of 2012 and 2011 respectively.

The Council invests idle funds and is able to earn some interest on this money each year. The investment earnings are used or accumulated as necessary to meet expenses each year.

When reviewing the Government-Wide Statement of activities, there are relationships that are important to the understanding of the Council's operations. As you can see, the Council's largest activities are related to nutrition services. The Council's main focus is to meet the needs of the elderly citizens of Winn Parish. There is a high demand for these services, therefore, resources are channels to meeting the demand.

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

Fund Balances

The Council showed a combined governmental fund balance of (\$ 6,447) (as shown on the Fund Financial Statement's balance sheet at page 12) at the end of this year, which is a decrease of \$ 18,920. However, when you look at the funds individually you will see that the Council's General Fund decreased by \$ 22,611 this year, while the Special Revenue Funds had a combined fund balance increase of \$ 3,691.

In addition, the General Fund also transferred funds to cover the deficits of some of the Special Revenue Funds. The transfers to the Special Revenue funds are the main reasons for the decrease in General Fund's fund balance this year.

Revenues

The combined fund revenues increased \$ 23,599 this year versus last year or 7%

Expenditures

Total expenditures increased by \$ 30,009 this year, or 9%

AN ANALYSIS OF THE GENERAL FUND BUDGET

The original and final budgets for the General, Title III-B, Title III C-1, Title III C-2, and Title III-E funds are located in the Supplementary Financial Information Required by GASB Statement 34 section of this report on pages 28 to 32. When you review the budget versus actual schedule, you will note that the favorable and unfavorable variances are not very large. This is a result of the budget amendment process, which allows us the opportunity to use hindsight to adjust the forecast made at the beginning of the year, if necessary.

AN ANALYSIS OF CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of the year, the Council had \$ 65,348 in property and equipment net of accumulated depreciation \$ 167,022. This amounted to a net increase of \$ 24,882 over last year.

Capital Assets, Net of Depreciation at Year End

	Governmental Activities	
	<u>2011</u>	<u>2012</u>
Equipment	\$ -	\$ 9,399
Vehicles	40,466	55,949
	<u>\$ 40,466</u>	<u>\$ 65,348</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Council receives most of its funding from federal and state agencies passed through the Cenla Area Agency on Aging, Inc. 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, and therefore, revenues may vary from year to year. In setting the budget for fiscal year 2013, it was important that we deliver at least the same level of service to our clients and the public as we did in 2012. All of the Council's grants and contracts from the usual federal and state agencies have been approved for FY 2013. There have been no significant changes to the funding levels or terms of the grants and contracts. Accordingly, we have set our initial budget to provide the same programs and levels of service next year. There are no plans to add any significant programs for the 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 Joyce McElroy, the Council's Executive Director, at the Council's main office located at 211 East Main Winnfield, Louisiana, by phone at 318-628-2186.

Paul Dauzat, CPA

MEMBER
AMERICAN INSTITUTE OF
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MEMBER
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Winn Council on Aging, Inc
Winnfield, Louisiana

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Winn Council on Aging, Inc (a non-profit, quasi-public organization) as of and for the year ended June 30, 2012. These financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these general purpose financial statements based based on my audit.

I conducted my audit in accordance with generally accepted auditing standards in the U S and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Winn Council on Aging, Inc, as of June 30, 2012, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated, December 14, 2012 on my consideration of the Council's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations and contracts.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The additional information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Winn Council on Aging, Inc. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Paul Dauzat
Certified Public Accountant
December 14, 2012

GOVERNMENT WIDE FINANCIAL STATEMENTS

WINN COUNCIL ON AGING, INC.
Winnfield, Louisiana

GOVERNMENT WIDE STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>Governmental Activities</u>
Assets	
Cash	\$ 10
Grants and contracts receivable	11,552
Capital assets, net of accumulated depreciation	<u>65,348</u>
Total Assets	<u>76,910</u>
Liabilities	
Bank Overdraft	7,842
Accounts Payable	10,167
Compensated Absences Payable	<u>7,915</u>
Total Liabilities	<u>\$ 25,924</u>
Net Assets	
Invested in Capital Assets	65,348
Restricted for	
Utility Assistance	10,224
Unrestricted	<u>(24,586)</u>
Total Net Assets	<u>\$ 50,986</u>

The accompanying notes are an integral part of this statement

WINN COUNCIL ON AGING
Winnfield, Louisiana

GOVERNMENT WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Function/Programs	<u>Direct Expenses</u>	<u>In-Direct Expenses</u>	<u>Program Revenues</u>		Net (Expenses)
			<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	Revenue and Increases (Decrease)s in Net Assets
					<u>Total Governmental Activities</u>
Governmental Activities					
Health, Welfare, & Social Services					
Supportive Services					
Other Services	\$ 26,358	\$ 23,290	\$ 49,648	\$ -	\$ -
Information and Assistance	4,419	3,917	8,336	-	-
Outreach	2,644	2,335	4,979	-	-
Transportation	69,021	60,975	129,996	-	-
Nutrition Services					
Congregate Meals	22,488	19,871	42,359	-	-
Home Delivered Meals	23,238	20,533	43,771	-	-
Utility Assistance	1,906	-	5,597	-	3,691
National Family Caregiver Support					
Respite Care	12,792	11,301	24,093	-	-
Other Services	4,680	4,137	8,817	-	-
Senior Activities	55,964	31,588	-	-	(87,552)
Total Governmental Activities	<u>\$ 223,510</u>	<u>\$ 177,947</u>	<u>\$ 317,596</u>	<u>\$ -</u>	<u>\$ (83,861)</u>
General Revenues					
Grants and Contributions not restricted to specific programs					89,749
Unrestricted Investment Income					73
Total General Revenues					<u>89,822</u>
Increase (Decrease) in Net Assets					5,961
Net Assets - Beginning of the year					45,025
Net Assets - End of the year					<u>\$ 50,986</u>

FUND FINANCIAL STATEMENTS

WINN COUNCIL ON AGING, INC.

Winnfield, Louisiana

**BALANCE SHEET
GOVERNMENTAL FUNDS**

JUNE 30, 2012

	<u>General Fund</u>	<u>Title III B</u>	<u>Title III C-1</u>	<u>Title III C-2</u>	<u>Title III E</u>	<u>Non-Major Funds</u>	<u>Total</u>
Assets							
Cash	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10
Grants and Contracts Receivable	-	4,357	1,933	3,144	1,829	289	11,552
Due from General Fund	-	-	-	-	-	10,224	10,224
Due from Special Revenue Funds	11,552	-	-	-	-	-	11,552
Total Assets	<u>11,562</u>	<u>4,357</u>	<u>1,933</u>	<u>3,144</u>	<u>1,829</u>	<u>10,513</u>	<u>33,338</u>
Liabilities							
Bank Overdraft	7,842	-	-	-	-	-	7,842
Due to General Fund	-	4,357	1,933	3,144	1,829	289	11,552
Due to Special Revenue Fund	10,224	-	-	-	-	-	10,224
Accounts Payable	10,167	-	-	-	-	-	10,167
Total Liabilities	<u>28,233</u>	<u>4,357</u>	<u>1,933</u>	<u>3,144</u>	<u>1,829</u>	<u>289</u>	<u>39,785</u>
Fund Balances:							
Restricted for							
Utility assistance	-	-	-	-	-	10,224	10,224
Unassigned							
General Fund	<u>(16,671)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,671)</u>
Total Fund Balances	<u>(16,671)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,224</u>	<u>(6,447)</u>
Total Liabilities and Fund Balances	<u>\$ 11,562</u>	<u>\$ 4,357</u>	<u>\$ 1,933</u>	<u>\$ 3,144</u>	<u>\$ 1,829</u>	<u>\$ 10,513</u>	

Amounts reported for governmental activities in the statement of net assets are different because

 Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds

65,348

 Compensated absences

(7,915)

Net Assets of Governmental Activities

\$ 50,986

The accompanying notes are an integral part of this statement

WINN COUNCIL ON AGING, INC.
Winnfield, Louisiana

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>General Fund</u>	<u>Title III-B</u>	<u>Title III C-1</u>	<u>Title III C-2</u>	<u>Woodlands Transportation</u>	<u>Non-Major Funds</u>	<u>Totals</u>
Revenues							
Intergovernmental							
Governor's Office of Elderly Affairs	\$ 37,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,500
GOEA-Senior Center	25,534	-	-	-	-	-	25,534
Goea-Supplemental Senior Ctr Passed through Cenla Area Agency on Aging, Inc	6,643	-	-	-	-	-	6,643
Police Jury	-	50,397	23,528	34,444	-	23,777	132,146
Dept of Health & Hospitals	10,000	-	-	-	-	-	10,000
Step Transportation	-	28,950	-	-	-	-	28,950
Woodlands Transportation	-	-	-	-	42,520	-	42,520
Interest Income	73	-	-	-	-	-	73
Public Support							
Client Contributions	10,072	7,182	9,317	-	-	-	26,571
Grant for Transportation	-	1,160	-	-	-	-	1,160
Helping Hands	-	-	-	-	-	5,597	5,597
In-Kind Revenue	6,533	17,531	6,062	3,918	2,813	29,491	66,348
Other	-	903	173	-	-	-	1,076
Total Revenues	<u>96,355</u>	<u>106,123</u>	<u>39,080</u>	<u>38,362</u>	<u>45,333</u>	<u>79,690</u>	<u>404,943</u>
Expenditures							
Health, Welfare & Social Services							
Current:							
Salaries	-	99,703	18,628	24,255	24,441	32,913	199,940
Fnng	-	8,290	2,259	2,794	4,497	3,642	21,482
Travel	794	5,595	1,794	3,997	1,131	2,275	15,586
Operating Services	6,916	30,289	8,628	7,381	6,498	6,271	65,983
Operating Supplies	2,544	31,551	4,988	1,251	4,333	4,579	49,246
Other Costs	2,936	-	-	175	-	261	3,372
Capital Outlay	-	-	-	-	-	-	0
In-Kind Capital Outlay	6,533	-	-	-	-	-	6,533
In-Kind Expenses	-	17,531	6,062	3,918	2,813	29,491	59,815
Utility Assistance	-	-	-	-	-	1,906	1,906
Total Expenditures	<u>19,723</u>	<u>192,959</u>	<u>42,359</u>	<u>43,771</u>	<u>43,713</u>	<u>81,338</u>	<u>423,863</u>

Excess (Deficiency) of Revenues Over Expenditures	76,632	(86,836)	(3,279)	(5,409)	1,620	(1,648)	(18,920)
Other Financing Sources (Uses)							
Operating Transfers In	-	86,836	3,279	5,409	-	12,883	108,407
Operating Transfers Out	<u>(99,243)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,620)</u>	<u>(7,544)</u>	<u>(108,407)</u>
Total Other Financing Sources (Uses)	<u>(99,243)</u>	<u>86,836</u>	<u>3,279</u>	<u>5,409</u>	<u>(1,620)</u>	<u>5,339</u>	<u>-</u>
Net Increase (Decrease) in Fund Balances	(22,611)	-	-	-	-	3,691	(18,920)
Fund Balance, Beginning of Year	<u>5,940</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,533</u>	<u>12,473</u>
Fund Balance, End of Year	<u>\$ (16,671)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,224</u>	<u>\$ (6,447)</u>

The accompanying notes are an integral part of this statement

**WINN COUNCIL ON AGING, INC.
Winnfield, Louisiana**

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental
Funds to the Statement of Activities**

Year Ended June 30, 2012

Net Increase (Decrease) in fund balances - total governmental funds \$ (18,920)

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 that depreciation exceeds capital outlays
including loss on disposals and sale of assets

24,881

Increase (Decrease) of net assets of governmental activities

\$ 5,961

The accompanying notes are an integral part of this statement

WINN COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE: Purpose of the Council on Aging and Summary of Significant Accounting Policies

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 the parish, to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States, to interpret its findings to the citizens of the parish and state level; to conduct public meetings to make recommendations for needed improvements and additional resources, to promote the welfare of aging people when requested to do so, 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 governments serving the elderly, and to make recommendations relevant to the planning and delivery of services to the elderly of the parish.

Specific services provided by the Council to the elderly residents of the parish include providing congregate and home delivered meals, nutritional education, wellness, information and assistance, outreach, chore, telephoning, medication management, utility assistance, recreation 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. However, before the council on aging can begin operations in a specific parish, its application for a charter must receive approval from the Governor's Office of Elderly Affairs pursuant to LA R.S. 46:1602. The functions of each council on aging in Louisiana must comply with the objectives of state laws and are governed by the policies and regulations established by GOEA.

The Organization is a legally separate, non-profit, quasi-public corporation. It received its charter and began operations on July 8, 1969. A board of directors, consisting of 14 voluntary members, who serve three year terms, governs the Council. The board of directors is composed of, but not limited to representatives of the Parish's elderly population, general public, private businesses and elected public officials. Board members are elected annually.

Membership in the Council is open at all times, without restriction, to all residents of the 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 Council on Aging is not a component unit of another primary government nor does it have any component units that are related to it. In addition, based on the criteria set forth in GASB Codification Section 2100, the Council has presented its financial statements as a primary government, because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As previously

WINN COUNCIL ON AGING, INC.

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mentioned, GOEA establishes the policies and regulations that all councils must follow. Included in its policies is a provision that the Council's budget be approved by GOEA. However, this approval process is part of GOEA's general oversight responsibility for the Council and is more ministerial or compliance oriented than substantive.

Accordingly, the Council is viewed as being fiscally independent for purposes of applying the reporting entity criteria of GASB Statement 14.

C. Presentation of Statements

The Council's statements are prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

The Council has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds; however, the Council has chosen not to do so because it does not have any business-type activities or enterprise funds. The more significant accounting policies established in GAAP and used by the Council are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- * A Management Discussion and Analysis (MD & A) section providing an analysis of the Council's overall financial position and results of operations.
- * Government-Wide Financial statements prepared using full accrual accounting for all of the Council's activities.
- * A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The Council was required to implement the general provisions of GASB Statement No. 34 in the fiscal year ended June 30, 2004.

D. Basic Financial Statements-Government-Wide Statements

The Council's basic financial statements include both Government-Wide (reporting the Council as a whole) and fund financial statements (reporting the Council's major 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

WINN COUNCIL ON AGING, INC.

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classified 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.

In the Government-Wide Statement of Net Assets, the governmental type activities Column is presented on a consolidated basis by column, and is reported on a full accrual, economic basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net assets are reported in three parts, invested in capital assets, net of related debt, restricted net assets, and unrestricted net assets. Invested in capital assets, net of related debt, consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. Restricted net assets consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation. Unrestricted net assets include all other net assets that do not meet the definition of " restricted " or " invested in capital assets, net of related debt "

The Council's policy is to use restricted resources first to finance its activities. Quite often unrestricted resources are available for use that must be consumed or they will have to be returned to GOEA. In such cases it is better for management to elect to apply and consume the unrestricted resources before using the restricted resources. As a result, the Council will depart from its usual policy of using restricted resources first.

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 general government revenues like 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 operating and capital grants and 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.

The Council allocates its indirect costs among various functions and programs in accordance with Circular A-87. The Statement of Activities presents this allocation in a separate column labeled indirect expenses. In addition, GOEA provides grant funds to help the Council pay for a portion of its indirect costs. As a result, only the indirect costs in excess of the GOEA funds are allocated to the Council's other functions and programs.

The Government-Wide Statements focus on the Council's ability to sustain operations and the change in its net assets resulting from the current year's activities.

WINN COUNCIL ON AGING, INC.

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E. Basic Financial Statements-Fund Financial Statements

The financial transactions of the Council are reported in individual funds in the Fund Financial Statements. 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. Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are reported by generic classification within the financial statements.

The Council uses governmental fund types. The focus of the governmental fund measurement (in the fund statements) is on the 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.

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

Nonspendable This classification includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

Restricted This classification includes amounts for which constraints have been placed on the use of resources either externally or imposed by law.

Committed This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Council's board of directors.

Assigned This classification includes amounts that are constrained by the Council's intent to be used for a specific purpose but are neither restricted nor committed.

Unassigned This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

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

- * *The General Fund* is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. The following is a brief description of the programs that comprise the General Fund:

WINN COUNCIL ON AGING, INC.

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June 30, 2012

Local Fund

This fund is used to account for revenues that are not required to be accounted for in a specific program or fund. These funds are mostly unrestricted and can be used at management's discretion. Local funds are often transferred to other programs to eliminate deficits.

PCOA Funding

PCOA funds are appropriated annually for the Council by the Louisiana Legislature and remitted to the Council through 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 benefiting the elderly people of at least 60 years of age.

Senior Center and Supplemental Senior Center Funding

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to GOEA, who passes on the funds to the Council. The purpose of this program is to provide a community service center at which elderly people can receive supportive social services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The senior center for the Parish is located in Winnfield, La. Senior Center funds can be used at management's discretion to support any of the Council's programs that benefit the elderly. Accordingly, during the fiscal year, the Senior Center Fund transferred all of its grant revenue to the Title III B Fund to purchase units of service for elderly persons who can use the senior center.

The Supplemental Senior Center Fund was established to account for funds that are appropriated by the Louisiana Legislature for the various councils on aging throughout Louisiana to supplement each council's primary grant for senior center operations and activities. The Council was one of the parish councils to receive a supplemental grant. The money received by this fund during the year was transferred to the Title III B Fund to supplement the senior center services purchased from this fund.

- * *Special Revenue Funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. A large percentage of the Council's special revenue funds are Title III funds. These funds are provided by the United States Department of Health and Human Services-Administration on Aging to the Governor's Office of Elderly Affairs, which in turn passes through the funds to the Central Area Agency on Aging, which passes through the funds to the Council on a predetermined unit cost reimbursement basis.

The Council has established several special revenue funds. The following is a brief description of each special revenue fund's purpose:

WINN COUNCIL ON AGING, INC

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Major Special Revenue Funds

The Title III B Fund is used to account for funds which are used to provide various units of supportive social services to the elderly. GOEA has established the criteria for defining a qualifying unit of service for each Title III B program. Specific services are information and assistance, outreach, telephoning, and transportation.

The Title III C-1 Fund is used to account for funds that are used to provide nutritional, congregate meals to the elderly at meal sites located in the Parish. During the year the Council served 13,791 meals to people eligible to participate in this program.

The Title III C-2 Fund is used to account for funds that are used to provide nutritional meals to homebound older persons. The Council served 14,600 meals during the year to people eligible to participate in this program.

Non-Major Special Revenue Funds

The Title III E Fund accounts for the resources and activities of the National Family Caregiver Support Program. The purpose of the program is to provide multifaceted systems of support services for the family caregivers and grandparents of older individuals who are relative caregivers.

The Utility Assistance Fund is used to account for the administration of utility assistance that is sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the Parish Councils on aging to provide assistance to the elderly for the payment of utility bills. Helping Hands donations are provided through the East Baton Rouge Council on Aging, Inc.

The Title III D Fund is used to account for funds used for disease prevention and health promotion activities.

The STEP Fund is used to account for funds that are used to provide transportation to and from work and children to daycare.

F. Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

*** Accrual Basis-Government-Wide Financial Statements (GWFS)**

The Statement of Net Assets and the Statement of Activities display information about the Council as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange like transactions are recognized when the exchange takes place.

WINN COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., when they are both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Council considers all revenues available if they are collected within 60 days after year end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that un-matured principle and interest on long-term debt, if any, are recorded when due, and claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

G. Interfund Activity

Interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. All other interfund transactions are treated as transfers. Transfers represent a permanent reallocation of resources between funds. 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 assets in the Government-Wide Financial Statements.

H. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and petty cash. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Cash and cash equivalents are reported at their carrying amounts that equal their fair values.

I. Investments

GASB Statement No. 31 requires the Council to report its investments at fair value, except for investments in non-participating interest earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates. This type of investment is reported using a cost based measure, provided that the fair market value of the contract is not significantly affected by the impairment of the credit standing of the issuer or other factors.

Investments that include securities traded on a national or international exchange are valued based on their last reported sales price. Investments that do not have an established market are reported at estimated fair value.

WINN COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

J. Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long lived assets that have been purchased or acquired with an original cost of at least \$ 1,000 and that have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Assets. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation.

Capital assets recorded in the Government-Wide Financial Statements are depreciated using the straight-line method for the assets estimated useful lives. The estimated useful lives of the various classes of capital assets are as follows:

Buildings	30 years
Building Improvements	20 years
Equipment	5-10 years
Furniture	10 years
Vehicles	5 years
Computers	3 years

Salvage values have not been estimated by management when calculating how much of an asset's cost needs to be depreciated.

Depreciation is not computed or recorded on capital assets for purposes of the Fund Financial Statements.

K. Compensated Absences

Annual and sick leave are earned by permanent employees at varying rates per pay period based on length of service. The amount of accumulated annual leave which can be carried forward at the end of the year is limited based on length of service up to 27 days. Sick leave is limited to 17 days. This accrued liability is recorded in the financial statements.

L. Management's Use of Estimates

The preparation of financial statements in conformity with 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.

M. Elimination and Reclassifications

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

WINN COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 2 Revenue Recognition

Revenues are recorded in the Government-Wide Statements when they are earned under the accrual basis of accounting. In applying the susceptible to accrual concept, intergovernmental grant revenues, program service fees, and interest income are usually both measurable and available. However, the timing and amounts of the receipts are often difficult to measure, therefore, they are recorded as revenue in the period received.

NOTE 3 Cash

The Council maintains two checking accounts at Winn Bank & Trust Co. The consolidated bank account is available for use by all funds. The purpose of the consolidated account is to reduce administration costs and facilitate cash balances to cover any negative cash balances in other funds at year end. At June 30, 2012, the Council's bank account was overdrawn \$ 7,842. All of the deposits were covered by Federal depository insurance. GASB Statement No. 3 categorized the credit risk of these deposits as Category 1 because they are fully insured. The collected bank balances totaled \$ 3,350.

NOTE 4 Contracts Receivable

Government grants and contracts receivable represent amounts owed to the Council under a grant award or contract with a provider of Federal, State, or local funds, such amounts being measurable and available as of year end.

Government grants and contracts receivable at year end consist of the following:

<u>Program</u>	<u>Fund</u>	<u>Funding Agency</u>	<u>Amount</u>
Title 111B	Special Revenue	Grant COA	\$ 160
Title 111B	Special Revenue	Cenla AAA	4,197
Title 111 C-1	Special Revenue	Cenla AAA	1,933
Title 111 C-2	Special Revenue	Cenla AAA	3,144
Title 111 E	Special Revenue	Cenla AAA	1,829
Title 111 D	Special Revenue	Cenla AAA	289
		Total	<u>\$ 11,552</u>

NOTE 5 Changes in Property and Equipment

A summary of changes in property and equipment follows:

	<u>Balance 6/30/2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2012</u>
Furniture and Equipment	\$ 7,578	\$ -	\$ -	\$ 7,578
Vehicles	192,130	\$ 32,662	-	224,792
Totals	<u>\$ 199,708</u>	<u>\$ 32,662</u>	<u>\$ -</u>	<u>\$ 232,370</u>

WINN COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Accumulated depreciation at June 30, 2012 was \$ 167,022
Depreciation was charged to governmental activities as follows

Supportive Services	
Recreation (Non-priority services)	\$ 19,920

NOTE 6: Board of Directors' Compensation

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

NOTE 7: Income Tax Status

The Council is a non-profit corporation and is exempt from Federal income taxation under Section 501 (c) (3) of the Internal Revenue Code, and as an organization that is not a private foundation as defined in Section 509 (a) of the code. It is also exempt from Louisiana income tax.

NOTE 8: Judgments, Claims and Similar Contingencies

There is no litigation pending against the Council as of year end. The Council's management believes that any potential lawsuits would be adequately covered by insurance or resolved without any material impact upon the Council's financial statements.

NOTE 9: Contingencies-Grant Programs

The Council participates in a number of State and Federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies, therefore, to the extent that the Council has not complied with the rules and regulations governing the grants, refunds of any money received and the collection of any related receivable at year end may be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing State and Federal grants, therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Council.

NOTE 10: Economic Dependency

The Council receives the majority of its revenue through grants administered by the Louisiana Governor's Office of Elderly Affairs (GOEA) and awarded to the Cenla Area Agency on Aging, Inc. who awards these grants to the Council on a per unit of service provided. The grant amounts are appropriated each year by Federal and State governments. If significant budget cuts are made at the Federal and/or State 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 next fiscal year.

WINN COUNCIL ON AGING, INC

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 11: 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 have been made.

NOTE 12: Inter-fund Transfers

Operating transfers in and out are listed by fund for fiscal year ended 2012

Transferred In	Transferred Out							Total In
	Woodlands	STEP	PCOA	Senior Center	Supp Senior Center	General Fund	Winn Parish Police Jury	
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Title III B	1,620	7,544	24,686	25,534	6,643	10,809	10,000	86,836
Title III C-1	-	-	2,999	-	-	280	-	3,279
Title III C-2	-	-	77	-	-	5,332	-	5,409
Title III E	-	-	9,474	-	-	903	-	10,377
Title III D	-	-	264	-	-	2,242	-	2,506
Total Out	\$ 1,620	\$ 7,544	\$ 37,500	\$ 25,534	\$ 6,643	\$ 19,566	\$ 10,000	\$ 108,407

Transfers are used to move revenues from the fund that statute or budget requires to expend them, and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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

NOTE 14: Related Party Transactions

There were no related party transactions during the year.

NOTE 15: New Accounting Pronouncement

Beginning with the fiscal year ended 2011, management adopted the provisions of Governmental Accounting Standards Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The main financial statement effects relating to this new accounting standard are with how components of the Council's fund balances are presented on the fund balance sheet and on the presentation of special revenue funds on the statement of revenues, expenditures and changes in balances. The number of special revenue funds are less than in previous years because of the new definition of what constitutes a special revenue fund.

NOTE 16: Subsequent Events

Management has evaluated subsequent events through December 12, 2012. The Council secured a bank note on October 19, 2012 in the amount of \$ 30,000, maturing April 25, 2015, with a stated interest rate of 4.75%. The note is guaranteed by a Council board member.

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

WINN COUNCIL ON AGING, INC.
Winnfield, Louisiana

Budgetary Comparison Schedule-General Fund
For The Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Intergovernmental				
Governor's Office of Elderly Affairs	\$ 69,677	\$ 69,677	\$ 69,677	\$ -
Police Jury	10,000	10,000	10,000	-
Investment Income	400	400	73	327
Public Support				
Client Contributions	6,500	6,500	10,072	(3,572)
Other	8,191	-	-	-
Total Revenues	<u>94,768</u>	<u>86,577</u>	<u>89,822</u>	<u>(3,245)</u>
EXPENDITURES				
Current				
Salaries	-	-	-	-
Fringe	-	-	-	-
Travel	-	-	794	(794)
Operating Services	-	-	6,916	(6,916)
Operating Supplies	-	-	2,544	(2,544)
Other	-	-	2,936	(2,936)
In-Kind Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>13,190</u>	<u>(13,190)</u>
Excess (Deficiency) of Revenues				-
Over Expenditures	<u>94,768</u>	<u>86,577</u>	<u>76,632</u>	<u>9,945</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	-	-	-
Operating Transfers Out	<u>(94,768)</u>	<u>(75,368)</u>	<u>(99,243)</u>	<u>23,875</u>
Total Other Financing Sources (Uses)	<u>(94,768)</u>	<u>(75,368)</u>	<u>(99,243)</u>	<u>23,875</u>
Net Increase (Decrease) in Fund Balances	-	11,209	(22,611)	33,820
FUND BALANCES				
Beginning of Year	<u>(1,975)</u>	<u>(1,975)</u>	<u>5,940</u>	<u>-</u>
End of Year	<u>\$ (1,975)</u>	<u>\$ 9,234</u>	<u>\$ (16,671)</u>	<u>\$ 33,820</u>

The accompanying notes are an integral part of this statement

WINN COUNCIL ON AGING, INC.
Winnfield, Louisiana

Budgetary Comparison Schedule-Title III B Fund
For The Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>GAAP</u> <u>Basis</u>	<u>with Final</u> <u>Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Intergovernmental				
Passed through Cenla Area Agency on Aging	\$ 45,419	\$ 45,419	\$ 50,397	\$ 4,978
Public Support	2,839	2,839	7,182	4,343
Dept of Health & Hospitals	34,000	34,000	28,950	(5,050)
Grant for Transportation	700	700	1,160	460
In-Kind Revenue	10,057	17,531	17,531	-
Other Income	-	-	903	903
Total Revenues	<u>93,015</u>	<u>100,489</u>	<u>106,123</u>	<u>5,634</u>
EXPENDITURES				
Current				
Salaries	101,468	99,744	99,703	41
Fringe	9,664	8,914	8,290	624
Travel	5,812	4,504	5,595	(1,091)
Operating Services	30,836	24,653	30,289	(5,636)
Operating Supplies	12,882	12,675	31,551	(18,876)
Other Cost	-	-	-	-
In-Kind Expenses	10,057	17,531	17,531	-
Total Expenditures	<u>170,719</u>	<u>168,021</u>	<u>192,959</u>	<u>(24,938)</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>(77,704)</u>	<u>(67,532)</u>	<u>(86,836)</u>	<u>(19,304)</u>
Other Financing Sources (Uses)				
Operating Transfers In	77,704	67,532	86,836	19,304
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>77,704</u>	<u>67,532</u>	<u>86,836</u>	<u>19,304</u>
Net Increase (Decrease) in Fund Balances	-	-	-	-
FUND BALANCES				
Beginning of Year	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement

WINN COUNCIL ON AGING, INC.
Winnfield, Louisiana

Budgetary Comparison Schedule-Title III C-1 Fund
For The Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Intergovernmental				
Passed through Cenla Area Agency on Aging	\$ 21,057	\$ 23,527	\$ 23,528	\$ 1
Public support	1,634	3,634	9,317	5,683
In-Kind Revenue	8,794	6,062	6,062	-
Other Income	-	-	173	173
Total Revenues	<u>31,485</u>	<u>33,223</u>	<u>39,080</u>	<u>5,857</u>
EXPENDITURES				
Current				
Salaries	15,345	17,076	18,628	(1,552)
Fringe	1,461	1,526	2,259	(733)
Travel	1,399	971	1,794	(823)
Operating Services	8,348	6,843	8,628	(1,785)
Operating Supplies	5,739	3,744	4,988	(1,244)
Other Cost	-	-	-	-
In-Kind Expenses	8,794	6,062	6,062	-
Total Expenditures	<u>41,086</u>	<u>36,222</u>	<u>42,359</u>	<u>(6,137)</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>(9,601)</u>	<u>(2,999)</u>	<u>(3,279)</u>	<u>(280)</u>
Other Financing Sources (Uses)				
Operating Transfers In	9,601	2,999	3,279	280
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>9,601</u>	<u>2,999</u>	<u>3,279</u>	<u>280</u>
Net Increase (Decrease) in Fund Balances	-	-	-	-
FUND BALANCES				
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement

WINN COUNCIL ON AGING, INC.
Winnfield, Louisiana

Budgetary Comparison Schedule-Title III C-2 Fund
For The Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>GAAP</u> <u>Basis</u>	<u>with Final</u> <u>Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Intergovernmental				
Passed through Cenla Area Agency on Aging	\$ 35,456	\$ 35,458	\$ 34,444	\$ (1,014)
Public Support	7,070	5,070	-	(5,070)
Grant for C-2 Meals	-	-	-	-
In-Kind Revenues	2,632	3,918	3,918	0
Total Revenues	<u>45,158</u>	<u>44,446</u>	<u>38,362</u>	<u>(6,084)</u>
EXPENDITURES				
Current				
Salaries	22,093	21,507	24,255	(2,748)
Fringe	2,104	1,922	2,794	(872)
Travel	4,544	3,194	3,997	(803)
Operating Services	8,951	7,761	7,381	380
Operating Supplies	5,040	6,221	1,251	4,970
Other Cost	-	-	175	(175)
In-Kind Expenses	2,632	3,918	3,918	0
Total Expenditures	<u>45,364</u>	<u>44,523</u>	<u>43,771</u>	<u>752</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>(206)</u>	<u>(77)</u>	<u>(5,409)</u>	<u>(5,332)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	206	77	5,409	5,332
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>206</u>	<u>77</u>	<u>5,409</u>	<u>5,332</u>
Net Increase (Decrease) in Fund Balances	-	-	-	-
FUND BALANCES				
Beginning of Year	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

WINN COUNCIL ON AGING, INC.
Winnfield, Louisiana

Budgetary Comparison Schedule-Woodlands Fund
For The Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Intergovernmental				
Woodlands Transportation	\$ 44,000	\$ 44,000	\$ 42,520	\$ (1,480)
Public Support	-	-	-	-
In-Kind Revenues	2,813	2,813	2,813	-
Total Revenues	<u>46,813</u>	<u>46,813</u>	<u>45,333</u>	<u>(1,480)</u>
EXPENDITURES				
Current				
Salaries	30,563	24,441	24,441	-
Fringe	2,731	2,184	4,497	(2,313)
Travel	1,467	1,107	1,131	(24)
Operating Services	8,601	6,477	6,498	(21)
Operating Supplies	7,631	4,283	4,333	(50)
Other Cost	-	-	-	-
In-Kind Expenses	2,813	2,813	2,813	-
Total Expenditures	<u>53,806</u>	<u>41,305</u>	<u>43,713</u>	<u>(2,408)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(6,993)</u>	<u>5,508</u>	<u>1,620</u>	<u>(3,888)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	6,993	-	-	-
Operating Transfers Out	-	(5,508)	(1,620)	3,888
Total Other Financing Sources (Uses)	<u>6,993</u>	<u>(5,508)</u>	<u>(1,620)</u>	<u>3,888</u>
Net Increase (Decrease) in Fund Balances	-	-	-	-
FUND BALANCES				
Beginning of Year	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA

WINN COUNCIL ON AGING, INC.
Winnfield, Louisiana

SCHEDULE OF NON-MAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2012

	Utility Assistance	Title III D	Title III E	Step	UMTA	Total
REVENUES						
Intergovernmental						
Governor's Office of						
Elderly Affairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Passed through Centa						
Area Agency on Aging	-	3,424	20,353	-	-	23,777
Public Support						
Helping Hands	5,597	-	-	-	-	5,597
Step Transportation	-	-	-	20,825	-	20,825
In-Kind Revenue	-	269	2,180	913	26,129	29,491
Total Revenues	5,597	3,693	22,533	21,738	26,129	79,690
EXPENDITURES						
Current						
Salaries	-	4,441	22,351	6,121	-	32,913
Fringe	-	277	2,067	1,298	-	3,642
Travel	-	229	1,678	388	-	2,275
Operating Services	-	734	3,407	2,130	-	6,271
Operating Supplies	-	249	966	3,384	-	4,579
Other Cost	-	-	281	-	-	281
In-Kind Expense	-	269	2,180	913	-	3,362
In-Kind Capital Outlay	-	-	-	-	26,129	26,129
Utility Assistance	1,908	-	-	-	-	1,908
Total Expenditures	1,908	6,199	32,910	14,194	26,129	81,338
Excess(Deficiency) of Revenues						
Over Expenditures	3,691	(2,506)	(10,377)	7,544	-	(1,648)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	2,506	10,377	-	-	12,883
Transfers Out	-	-	-	(7,544)	-	(7,544)
Total Other Financing Sources (Uses)	-	2,508	10,377	(7,544)	-	5,339
Net Increase(Decrease)						
in Fund Balances	3,691	-	-	-	-	3,691
FUND BALANCES						
Beginning of Year	6,533	-	-	-	-	6,533
End of Year	\$ 10,224	\$ -	\$ -	\$ -	\$ -	\$ 10,224

The accompanying notes are an integral part of this statement

WINN COUNCIL ON AGING, INC.
Winnfield, Louisiana

**COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS
AND CHANGES IN GENERAL FIXED ASSETS**

For the Year Ended June 30, 2012

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
GENERAL FIXED ASSETS, AT COST				
Furniture & Equipment	\$ 7,578	\$ -	\$ -	7,578
Vehicles	192,130	32,662	-	224,792
Total General Fixed Assets	\$ 199,708	\$ 32,662	\$ -	\$232,370
INVESTMENT IN GENERAL FIXED ASSETS				
Title III - B	\$ 837	\$ -	\$ -	\$ 837
General	45,076	6,533	-	51,609
Title III -C-1	145	-	-	145
Title III -C-2	32	-	-	32
UMTA	153,618	26,129	-	179,747
Total Investment In General Fixed Assets	\$ 199,708	\$ 32,662	\$ -	\$232,370

The accompanying notes are an integral part of this statement

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

Paul Dautat, CPA

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 12359
Alexandria, LA 71315

MEMBER
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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 (the Yellow Book)*

Board of Directors
Winn Council on Aging, Inc.
Winnfield, Louisiana

I have audited the financial statements of the Winn Council on Aging, Inc. as of and for the year ended June 30, 2012, and have issued my report thereon dated December 14, 2012. I conducted my 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.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Winn Council on Aging, Inc.'s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Winn Council on Aging, Inc.'s internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Winn Council on Aging, Inc.'s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above. However, I identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that I consider to be significant deficiencies in internal control over financial reporting (2012-1, 2012-2, 2012-3, 2012-4, 2012-5). A significant deficiency is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Winn Council on Aging, Inc 's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items (2012-2, 2012-4)

The Council's response to the findings identified in my audit is described in the accompanying schedule of findings and responses. I did not audit management's responses and, accordingly, I express no opinion on them.

This report is intended solely for the information and use of management, board of directors, others within the entity, and government entities and is not intended to be and should not be used by anyone other than these specified parties.



Paul Dauzat
Certified Public Accountant
December 14, 2012

Recommendation The Council should designate an individual independent from general ledger posting or the opening of bank statements to reconcile the cash accounts and they should be reviewed by an individual not involved in the reconciling process. The monitoring agency for the Council should be contacted for assistance.

Council's Response: We will implement the procedure recommended, immediately.

2012-2 Utility Assistance Funds

Condition. The Utility Assistance program administered by the Council had a fund balance of \$ 10,224. The funds were not available at year end to administer this program as required by the contract for services.

Criteria. Money restricted for specific purposes should be available to administer the specified program.

Effect The purpose of the program is not accomplished as intended.

Recommendation. Management should ensure that money restricted for specified purposes should be available to administer the special purpose program.

Council's Response The Council secured a bank loan to replenish the Utility money and we will ensure that restricted monies are not expended for purposes other than what they are intended for.

2012-3 Internal Control Improvements

Condition The internal control structure is not operating effectively.

Criteria. The design and operation of internal control should be designed to prevent or detect and correct misstatements and irregularities on a timely basis.

Effect: Misstatements in financial reporting do not correctly reflect the results of operations and result in mis-management.

Recommendation: The Council should segregate duties among personnel as feasibly as possible taking into consideration the cost benefit approach. The use of a signature stamp for check authorization should be discontinued.

and hand written checks should be eliminated except for extenuating circumstances. Cash flow projections should be completed on a timely basis in order to avoid bank overdrafts. A finance committee should be appointed by the board of directors and meet as needed to review the financial condition of the Council

Council's Response: The Council has eliminated the use of the signature stamp and the Board has directed that hand written checks are unacceptable. The board of directors is in the process of forming a finance committee as recommended

2012-4 Payroll Tax Returns

Condition: Payroll tax returns and payments for payroll taxes were not timely filed and paid.

Criteria The Internal Revenue Service requires that withheld taxes from employee wages be remitted timely and that reports be filed at specific due dates

Effect. Delinquent payroll tax returns and the remittance of taxes withheld accumulate penalties and interest. The liability for penalties and interest further the drain on cash flow for operations

Recommendation Procedures should be in place to ensure that taxes withheld from employees be remitted on a timely basis and that a schedule of payroll tax return due dates be monitored by an appointed individual.

Council's Response All payroll tax returns have been filed currently and all taxes have been paid. A letter requesting abatement of penalty and interest has been submitted to the Internal Revenue Service. An individual is now in charge of remitting taxes and filing returns by due dates.

2012-5 General Fund Deficit

Condition: The general fund has a deficit fund balance at the end of the fiscal year

Criteria: The Council should maintain sufficient fund balances to continue operation

Effect. Operations can not sustain without proper cash flow.

Recommendation. Management of the Council should monitor the cash flows on a monthly basis to ensure that sufficient capital is available to continue operations effectively.

Council's Response: The Council secured a bank line of credit to assist in operations on an as needed basis. The Council management and board of directors will take a more active role in monitoring cash flows more closely on a monthly basis.

WINN COUNCIL ON AGING, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
For The Year Ended June 30, 2012

Section 1-Internal Control and Compliance Material to the Financial Statements

There were no internal control or compliance findings for the year ended June 30, 2011

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