

HENDERSON COUNTY COUNCIL ON AGING, INC.
HENDERSONVILLE, NORTH CAROLINA

AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

HENDERSON COUNTY COUNCIL ON AGING, INC.

HENDERSONVILLE, NORTH CAROLINA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Henderson County Council on Aging, Inc.
Hendersonville, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of Henderson County Council on Aging, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Henderson County Council on Aging, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2021, on our consideration of Henderson County 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 the 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 Henderson County Council on Aging, Inc.'s internal control over financial reporting and compliance.

Bradshaw, Gordon & Clinker LLC

Greenville, South Carolina
November 16, 2021

HENDERSON COUNTY COUNCIL ON AGING, INC.

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
Current Assets:		
Cash	\$ 445,467	\$ 574,677
Accounts and contracts receivable	142	523
Grants receivable	242,069	86,844
Other receivables	11,878	13,273
Total Current Assets	<u>699,556</u>	<u>675,317</u>
Property and Equipment:		
Land, buildings and equipment, net of accumulated depreciation	<u>445,132</u>	<u>450,346</u>
Other Assets:		
Beneficial interest in investment in Henderson County Community Foundation	510,216	375,618
Beneficial interest in endowment funds	385,851	201,494
Beneficial interest in endowment funds, restricted	<u>85,000</u>	<u>85,000</u>
Total Other Assets	<u>981,067</u>	<u>662,112</u>
TOTAL ASSETS	<u>\$ 2,125,755</u>	<u>\$ 1,787,775</u>

LIABILITIES AND NET ASSETS

LIABILITIES:		
Accounts payable	\$ 37,677	\$ 31,193
Accrued interest payable	-	187
Accrued compensation payable	9,614	7,765
Current portion of long-term debt, U.S. Small Business Administration	<u>-</u>	<u>47,737</u>
Total Current Liabilities	47,291	86,882
Long-term debt, U.S. Small Business Administration	<u>-</u>	<u>76,563</u>
TOTAL LIABILITIES	<u>47,291</u>	<u>163,445</u>
NET ASSETS:		
Without donor restrictions:		
Undesignated	1,873,464	1,402,275
Board designated – Joan Books Endowment	120,000	120,000
With donor restrictions:		
Restricted in perpetuity	85,000	85,000
Purpose restriction – Meals on Wheels	<u>-</u>	<u>17,055</u>
Total Net Assets	<u>2,078,464</u>	<u>1,624,330</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,125,755</u>	<u>\$ 1,787,775</u>

The accompanying notes are an integral part of these financial statements.

HENDERSON COUNTY COUNCIL ON AGING, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>
PUBLIC SUPPORT:			
Contributions and grants:			
Bequests and memorials	\$ 2,807	\$ 6,380	\$ 9,187
Annual news letter	5,747	1,900	7,647
Coronavirus Aid, Relief, and Economic Securities Act	130,770	-	130,770
Coronavirus Response Family First Act	83,535	-	83,535
City of Hendersonville	-	3,800	3,800
Community Foundation of Henderson County	50	-	50
Federal and state assistance	571,966	-	571,966
Henderson County	-	36,075	36,075
Henderson County United Way	14,371	-	14,371
Hunger Coalition	-	13,750	13,750
Livingston College	-	8,346	8,346
Meals on Wheels America	5,176	17,500	22,676
Meals on Wheels North Carolina	-	13,100	13,100
St. James Charities Foundation	-	600	600
Other contributions	114,842	49,971	164,813
Total Public Support	<u>929,264</u>	<u>151,422</u>	<u>1,080,686</u>
PROGRAM REVENUE – EXCHANGE PORTION:			
Congregate Meals	5,586	-	5,586
Home Delivered Meals	28,094	-	28,094
Liquid Nutrition	390	-	390
Support Services	2,137	-	2,137
Total Program Revenue	<u>36,207</u>	<u>-</u>	<u>36,207</u>
OTHER REVENUES:			
Sale of donated items, net	286,655	-	286,655
Investment income, net of fees and withdrawals	15,561	-	15,561
Realized and unrealized gains (losses)	123,394	-	123,394
Miscellaneous income	126,424	-	126,424
Total Other Revenues	<u>552,034</u>	<u>-</u>	<u>552,034</u>
NET ASSETS RELEASED FROM RESTRICTIONS:			
Satisfaction of usage/time restrictions	168,477	(168,477)	-
TOTAL PUBLIC SUPPORT, PROGRAM AND OTHER REVENUES	<u>1,685,982</u>	<u>(17,055)</u>	<u>1,668,927</u>
EXPENSES AND LOSSES:			
Program Services:			
Meals on Wheels	760,139	-	760,139
Congregate Meals	54,025	-	54,025
Liquid Nutrition	61,635	-	61,635
Support Services	135,234	-	135,234
Total Program Services	<u>1,011,033</u>	<u>-</u>	<u>1,011,033</u>
Administrative Services:			
Total Administrative and Development Services	203,760	-	203,760
TOTAL EXPENSES	<u>1,214,793</u>	<u>-</u>	<u>1,214,793</u>
CHANGE IN NET ASSETS	471,189	(17,055)	454,134
NET ASSETS, Beginning of Year	<u>1,522,275</u>	<u>102,055</u>	<u>1,624,330</u>
NET ASSETS, End of Year	<u>\$ 1,993,464</u>	<u>\$ 85,000</u>	<u>\$ 2,078,464</u>

The accompanying notes are an integral part of these financial statements.

HENDERSON COUNTY COUNCIL ON AGING, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>
PUBLIC SUPPORT:			
Contributions and grants:			
Bequests and memorials	\$ 107,961	\$ 5,159	\$ 113,120
City of Hendersonville	-	2,600	2,600
Community Foundation of Henderson County	-	18,516	18,516
Community Foundation of WNC	-	5,000	5,000
Dogwood Health Trust	-	24,600	24,600
Dominion Energy	-	2,000	2,000
Federal and state assistance	476,448	-	476,448
Henderson County	-	36,075	36,075
Henderson County Hunger Coalition	-	14,000	14,000
Henderson County United Way	-	22,500	22,500
Meals on Wheels America	-	37,000	37,000
Meals on Wheels North Carolina	-	14,950	14,950
Special events and fundraising, net	4,702	200	4,902
WNC Bridge Foundation	-	10,000	10,000
Other contributions	113,182	15,955	129,137
Total Public Support	702,293	208,555	910,848
PROGRAM REVENUE – EXCHANGE PORTION:			
Congregate Meals	9,333	-	9,333
Home Delivered Meals	31,906	-	31,906
Liquid Nutrition	525	-	525
Support services	1,481	-	1,481
Total Program Revenue	43,245	-	43,245
OTHER REVENUES:			
Sale of donated items, net	137,012	-	137,012
Investment income, net of fees and withdrawals	9,026	-	9,026
Realized and unrealized gains (losses), net of fees	(10,475)	-	(10,475)
Miscellaneous income	8,948	-	8,948
Total Other Revenues	144,511	-	144,511
NET ASSETS RELEASED FROM RESTRICTIONS:			
Satisfaction of usage/time restrictions	191,500	(191,500)	-
TOTAL PUBLIC SUPPORT, PROGRAM AND OTHER REVENUES	1,081,549	17,055	1,098,604
EXPENSES AND LOSSES:			
Program Services:			
Meals on Wheels	585,513	-	585,513
Congregate Meals	75,506	-	75,506
Liquid Nutrition	41,986	-	41,986
Support Services	126,224	-	126,224
Total Program Services	829,229	-	829,229
Administrative Services:			
Total Administrative and Development Services	198,159	-	198,159
TOTAL EXPENSES	1,027,388	-	1,027,388
CHANGE IN NET ASSETS	54,161	17,055	71,216
NET ASSETS, Beginning of Year	1,468,114	85,000	1,553,114
NET ASSETS, End of Year	\$ 1,522,275	\$ 102,055	\$ 1,624,330

The accompanying notes are an integral part of these financial statements.

HENDERSON COUNTY COUNCIL ON AGING, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services				Administrative Services		2021 Total
	Meals On Wheels	Congregate Meals	Liquid Nutrition	Support Services	Total Program Services	Total Administrative and Development	
SALARIES AND RELATED EXPENSES:							
Salaries	\$ 180,497	\$ 30,881	\$ 14,155	\$ 72,988	\$ 298,521	\$ 96,664	\$ 395,185
Benefits – health	25,585	7,347	-	8,707	41,639	60,048	101,687
Payroll taxes	12,274	2,289	1,083	5,189	20,835	4,229	25,064
Retirement plan contributions	2,492	681	-	964	4,137	3,355	7,492
TOTAL SALARIES AND RELATED EXPENSES	220,848	41,198	15,238	87,848	365,132	164,296	529,428
OTHER OPERATING EXPENSES:							
Accounting	1,971	493	493	985	3,942	1,986	5,928
Advertising	1,579	-	-	20	1,599	5,543	7,142
Contracted services	15,433	825	-	-	16,258	-	16,258
Bank and endowment fees	-	-	-	-	-	1,656	1,656
Equipment leases	3,238	-	251	1,036	4,525	895	5,420
Depreciation	22,338	298	708	1,412	24,756	4,336	29,092
Insurance	9,116	1,218	218	1,487	12,039	4,642	16,681
Payroll processing fees	554	118	-	354	1,026	451	1,477
Postage and shipping	-	-	-	1	1	659	660
Professional dues and fees	167	-	-	-	167	2,506	2,673
Program expenses	433,343	551	43,460	35,476	512,830	-	512,830
Rent, utilities and maintenance	20,062	6,240	874	1,752	28,928	3,834	32,762
Recruiting	501	-	-	-	501	356	857
Staff and volunteer development	2,340	226	-	134	2,700	6,553	9,253
Supplies	14,729	100	68	388	15,285	1,248	16,533
Office and communications expenses	8,012	2,709	325	4,324	15,370	4,681	20,051
Travel and transportation	4,225	-	-	17	4,242	74	4,316
Vehicle expenses	1,683	49	-	-	1,732	44	1,776
TOTAL OTHER OPERATING EXPENSES	539,291	12,827	46,397	47,386	645,901	39,464	685,365
TOTAL EXPENSES	\$ 760,139	\$ 54,025	\$ 61,635	\$ 135,234	\$ 1,011,033	\$ 203,760	\$ 1,214,793

The accompanying notes are an integral part of these financial statements.

HENDERSON COUNTY COUNCIL ON AGING, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services				Administrative Services		2020 Total
	Meals On Wheels	Congregate Meals	Liquid Nutrition	Support Services	Total Program Services	Total Administrative and Development	
SALARIES AND RELATED EXPENSES:							
Salaries	\$ 150,205	\$ 36,145	\$ 8,973	\$ 67,347	\$ 262,670	\$ 84,894	\$ 347,564
Benefits – health	6,675	3,065	-	9,254	18,994	63,970	82,964
Payroll taxes	11,135	2,691	686	8,470	22,982	6,565	29,547
Retirement plan contributions	1,424	353	-	1,223	3,000	3,002	6,002
TOTAL SALARIES AND RELATED EXPENSES	169,439	42,254	9,659	86,294	307,646	158,431	466,077
OTHER OPERATING EXPENSES:							
Accounting	1,905	476	476	953	3,810	1,905	5,715
Advertising	96	-	-	-	96	4,460	4,556
Contracted services	16,753	2,878	-	-	19,631	68	19,699
Bank and endowment fees	-	-	-	-	-	1,641	1,641
Equipment leases	3,669	-	-	1,000	4,669	999	5,668
Depreciation	16,737	96	700	1,356	18,889	5,468	24,357
Insurance	5,805	786	226	2,116	8,933	3,228	12,161
Payroll processing fees	456	124	-	281	861	493	1,354
Postage and shipping	1	-	-	17	18	982	1,000
Professional dues and fees	229	-	2	5	236	1,876	2,112
Program expenses	333,996	3,527	29,945	27,362	394,830	-	394,830
Rent, utilities and maintenance	9,841	17,642	752	1,511	29,746	3,272	33,018
Recruiting	169	-	-	-	169	442	611
Staff and volunteer development	4,735	276	-	251	5,262	5,778	11,040
Supplies	4,965	4,976	20	1,032	10,993	1,995	12,988
Office and communications expenses	9,161	2,459	203	3,696	15,519	6,374	21,893
Travel and transportation	4,588	12	3	350	4,953	747	5,700
Vehicle expenses	2,968	-	-	-	2,968	-	2,968
TOTAL OTHER OPERATING EXPENSES	416,074	33,252	32,327	39,930	521,583	39,728	561,311
TOTAL EXPENSES	\$ 585,513	\$ 75,506	\$ 41,986	\$ 126,224	\$ 829,229	\$ 198,159	\$ 1,027,388

HENDERSON COUNTY COUNCIL ON AGING, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 454,134	\$ 71,216
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	35,526	30,748
Noncash debt forgiveness	(124,300)	-
Unrealized (gains) losses	(123,394)	17,021
(Increase) decrease in:		
Accounts and contracts receivable	381	4,394
Grants receivable	(155,225)	(27,445)
Other receivables	1,395	(1,147)
Increase (decrease) in:		
Accounts payable	6,484	838
Accrued interest payable	(187)	187
Accrued compensation payable	1,849	264
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>96,663</u>	<u>96,076</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(30,312)	(6,285)
Increase in long-term investments	(15,561)	(6,758)
Additional investment in beneficial interest endowment funds	<u>(180,000)</u>	<u>(100,000)</u>
NET CASH (USED) BY INVESTING ACTIVITIES	<u>(225,873)</u>	<u>(113,043)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from debt	<u>-</u>	<u>124,300</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>-</u>	<u>124,300</u>
INCREASE (DECREASE) IN CASH	(129,210)	107,333
CASH, Beginning of Year	<u>574,677</u>	<u>467,344</u>
CASH, End of Year	<u>\$ 445,467</u>	<u>\$ 574,677</u>

The accompanying notes are an integral part of these financial statements.

HENDERSON COUNTY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Henderson County Council on Aging, Inc., (the Organization) was incorporated as a non-profit organization in the State of North Carolina in May 1969 with its principal office in Hendersonville, North Carolina. The Organization provides services to older adults of Henderson County, North Carolina. The mission of the Organization is to provide and coordinate services to engage, connect, and support adults in the community as we age.

Meals on Wheels – The Meals on Wheels program provides hot or frozen, nutritious meals Monday through Friday to eligible homebound adults who wish to remain living independently. All meals meet the one-third recommended dietary allowance for individuals 60 years of age or older. Meals are delivered by caring volunteers who enjoy a friendly visit with clients during meal delivery or by direct shipment to the client’s doorstep. When necessary, the Organization makes every effort to provide meals to eligible, at-risk adults who are disabled and homebound but may be under the age of 60. In addition, pet food is provided to clients with animals.

Congregate Meals Program – The Sammy Williams Center for Active Living (SWC) is the congregate nutrition program in Henderson County for older adults. The SWC provides a place where older adults can participate in social, health, recreational and educational activities. Five days a week, a hot nutritious lunch is provided to clients at the center. For those clients that do not drive, transportation is provided through Apple Country Transportation (part of Western Carolina Community Action), within specific geographic boundaries.

Liquid Nutrition – The Liquid Nutrition program provides nutrition supplements (Ensure/Glucerna) to eligible older adults to assist in maintaining a proper diet. Many clients benefiting from this program suffer from a chronic illness, digestive issues, or the inability to chew solid foods. A physician’s recommendation is required for eligibility.

Support Services – The Support Services functions include programs such as Caregiver Consultation, Caregiver Respite Grants, Community Resource Coordination, Senior Companion, and a heat relief program. Staff assist caregivers and older adults in making informed choices about the programs and services available to meet their individual needs. Where needed, coordinators assist clients in applying for services or advocate on their behalf. In addition, Respite Grants provide much needed financial support to caregivers who require time away from their loved one. We also link homebound older adults needing extra assistance and companionship with volunteers who are also older adults. Fans are provided to older adults who need relief from the summertime heat.

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Net Assets: Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- Without donor restrictions, undesignated – Net assets that are not subject to donor-imposed restrictions and net assets that have been designated by the Organization.
- Without donor restrictions, board designated – Net asset resources received from donors that are designated regarding future use by the Organization’s Board of Directors.
- With donor restrictions – Net assets whose use by the Organization is limited by donor-imposed time and / or purpose restrictions.

Contributions and Support With and Without Donor Restrictions: Contributions received are recorded as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions.

All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

Support and Revenue Sources: The Organization applies yearly for Home Community Block Grants and caregiver resources grants through the Land-of-Sky Regional Council. In addition, grant applications are submitted each year to Henderson County United Way, Henderson County Government, the City of Hendersonville, and the Hunger Coalition of Henderson County. Net proceeds from the Organization’s two thrift stores located in Hendersonville and Etowah are a significant source of funding as well as contributions from private and public community members and clients. The Organization also actively pursues grant opportunities from local and national foundations such as Community Foundation of Henderson County, Dogwood Health Trust, Pisgah Health Foundation, Meals on Wheels America, Meals on Wheels North Carolina, and WNC Bridge Foundation.

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Revenue and Revenue Recognition: The Organization recognizes revenue from sales of donated items, Meals on Wheels, Congregate Meals, Liquid Nutrition, and Support Services when the performance obligations of transferring the products and providing the services are met. Revenue from the sale of donated items is recognized at the time of purchase. Payments are required at the time of sale. Meals on Wheels, Congregate Meals, Liquid Nutrition, and Support Service payments, which are nonrefundable, are comprised of an exchange element based on the benefits received, and a contribution element for the difference. The Organization recognizes the exchange portion of Meals on Wheels, Congregate Meals, Liquid Nutrition, and Support Services over time, and the contribution portion immediately. Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Organization recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place. During the years ended June 30, 2021 and 2020, there were no special events. With the exception of goods and services provided in connection with Meals on Wheels, Congregate Meals, Liquid Nutrition, and Support Services which are transferred over a period of time, all goods and services are transferred at a point in time.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. During the year ended June 30, 2021 and 2020, the Organization received no conditional or unconditional promises to give.

A portion of revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. At June 30, 2021 and 2020 the Organization reported \$242,069 and \$86,844 as grants receivable on the Statements of Financial position, due to the Organization incurring qualifying expenditures that had not been reimbursed. At June 30, 2020 and 2021, no amounts have been received in advance under federal and state contracts and grants.

Contributed Services: Contributed services that create or enhance nonfinancial assets or require specialized skills and are provided by individuals possessing those skills are to be recognized as support. During the years ended June 30, 2021 and 2020, the value of contributed services meeting requirements of recognition in the financial statements was not material and has not been recorded. During the years ended June 30, 2021 and 2020, volunteers contributed 20,893 and 28,813 hours, respectively, to assist with Meals on Wheels, Congregate Meals, Thrift Stores, and office support. In addition, during the years ended June 30, 2021 and 2020, Meals on Wheels volunteer drivers contributed 37,966 and 100,263 miles, respectively, worth of auto fuel and maintenance.

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Property and Equipment: It is the Organization's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Acquisitions of property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are being depreciated using the straight-line and declining-balance methods over the estimated useful lives of those assets.

Interest in Assets Held in Trust: The Organization has a current beneficial interest in several funds held and managed by the Community Foundation of Henderson County, Inc. as of June 30, 2021 and June 30, 2020. The Community Foundation is the legal owner of all assets contributed to any of its component funds and therefore, these assets are reported in their financial statements.

The Organization receives distributions from these funds by the Community Foundation and reports these amounts as revenue in the Statement of Activities when received.

The Community Foundation of Henderson County, Inc. is the legal owner but in accordance with ASC *Fair Value Measurements and Disclosures*, if a community foundation accepts a contribution from an agency and agrees to transfer these assets, the return on investment of the assets or both back to the agency, then these contributions are to be reported as an asset on the financial statements of the agency, in this case the Organization. The balance of these funds as of June 30, 2021 and 2020 were \$981,067 and \$662,112, respectively. See Note 4 for further details.

Fair Values of Financial Instruments: The Organization discloses for each class of financial instruments the method used and the significant assumptions made in determining the fair value of financial assets and/or liabilities. If there is a change in the valuation method, then the Organization discloses both the change and the reason for the change.

The Organization estimates the fair value of all financial instruments and those estimates do not materially differ from the aggregate carrying values of the financial instruments as recorded in the Statements of Financial Position. The estimated fair value amounts have been determined using available market information and appropriate valuation methodologies.

Concentration of Credit and Market Risks: The Organization maintains cash balances at financial institutions located in North Carolina. Accounts at these institutions are insured by Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2021, and 2020, the Organization had \$207,512 and \$339,234 in cash balances exceeding the federally insured amount.

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

The Organization has not experienced any losses in such accounts and believes it is not exposed to significant credit risk.

The Organization also holds investment securities. Investment securities are subject to various risks such as interest rate risk, credit risk and overall market volatility. Due to the level of risk associated with certain investment securities, it is possible that changes in the value of investment securities could occur that could materially affect amounts reported in the financial statements.

Note 4 – Fair Value Measurements, provides detailed valuation of investments as of June 30, 2021 and 2020, respectively.

Functional Allocation of Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses.

Expenses that can be identified with a specific program and support services are allocated directly accordingly to their nature and expense classification. Accordingly, certain costs have been allocated between the programs and supporting services benefited.

Income Taxes: The Organization is a non-profit corporation exempt from federal and state income taxes under Section (501)(c)(3) of the Internal Revenue Code and related State law and classified by the Internal Revenue Service as other than a private foundation. Accordingly, the accompanying financial statements do not reflect a provision or liability for federal or state income taxes.

Reclassification: Certain amounts in the prior year have been reclassified to conform to the current year presentation.

New Accounting Guidance Implementation: The Organization has adopted Accounting Standards Update (ASU) No. 2014-19, *Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of the Organization's financial reporting.

Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financials statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Recently Issued Accounting Pronouncements: In 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)* to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the Statements of Financial Position and disclosing essential information about leasing transactions.

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

The requirements of ASU 2016-02, *Leases* are effective for fiscal year 2022. The Organization is currently evaluating the impact ASU 2016-02, *Leases* may have on its financial statements.

NOTE 2 – GRANTS RECEIVABLE

Grants receivable at June 30 are all due in the subsequent reporting period and consist of the following:

	<u>2021</u>	<u>2020</u>
Land-of-Sky Regional Council Block Grant	<u>\$ 242,069</u>	<u>\$ 86,844</u>

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Land and building – King Creek	\$ 702,683	\$ 702,683
Leasehold improvements – Hendersonville Store	69,219	69,219
Furniture, fixtures and improvements	63,999	55,216
Software/marketing	8,000	8,000
Vehicles	<u>85,661</u>	<u>64,132</u>
	929,562	899,250
Less: Accumulated depreciation	<u>484,430</u>	<u>448,904</u>
Total Property and Equipment	<u>\$ 445,132</u>	<u>\$ 450,346</u>

Depreciation expense recorded at June 30, 2021 and June 30, 2020 is \$35,526 and \$30,748, respectively.

NOTE 4 – FAIR VALUE MEASUREMENTS

The Organization follows ASC 820 *Fair Value Measurements and Disclosures* which establishes a fair value hierarchy to increase consistency and comparability in reporting fair value measurements and related disclosures. The fair value hierarchy is based on the inputs to valuation techniques used to measure fair value and are classified as either observable or unobservable.

NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)

Observable inputs reflect assumptions market participants would use in valuing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect a reporting entity's valuations based upon its own market assumptions.

The fair value hierarchy consists of the following three levels:

- Level 1: Inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs are quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable and market-corroborated inputs which are derived principally from or corroborated by observable market data.
- Level 3: Inputs are derived from valuation techniques in which one or more significant inputs or value drivers are unobservable.

The asset or liability's fair value measurement within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Organization does not have any financial assets measured at fair value on a recurring basis categorized as Level 1 or Level 2 and there were no transfers in or out of Level 3 during the year ended June 30, 2021 or 2020.

There were no changes during the years ended June 30, 2021 and 2020 to the Organization's valuation techniques used to measure asset fair values on a recurring basis.

The following tables set forth by level within the fair value hierarchy the Organization's financial assets accounted for at fair value on a recurring basis as of June 30, 2021 and 2020. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Organization's assessment of the significance of a particular input to the fair value measurement requires judgement and may affect the valuation of fair value of assets and their placement within the fair value hierarchy levels.

NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)

A reconciliation of Level 3 inputs for the June 30, 2021 year is as follows:

	<u>Total (All Level 3)</u>
Inputs, beginning of year	\$ 662,112
Contributions	180,000
Investment income, net of fees and withdrawals	15,561
Unrealized gains and (losses)	<u>123,394</u>
Inputs, End of Year	<u>\$ 981,067</u>

A reconciliation of Level 3 inputs for the June 30, 2020 year is as follows:

	<u>Total (All Level 3)</u>
Inputs, beginning of year	\$ 572,375
Contributions	100,000
Investment income, net of fees and withdrawals	15,573
Unrealized gains and (losses)	(17,021)
Distributions and transfers	<u>(8,815)</u>
Inputs, End of Year	<u>\$ 662,112</u>

NOTE 5 – LONG-TERM DEBT

In March 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law to provide relief to taxpayers affected by the COVID-19 pandemic. The CARES Act provides opportunities for certain businesses to receive emergency grants and loans to pay qualifying expenses.

In May 2020, the Organization received a Small Business Administration loan totaling \$124,300 that can be forgiven if the Organizations workforce is maintained at certain levels. The loan matures in May 2022, is unsecured and bears interest at a fixed rate of 1% with the first six months of interest and principal deferred.

In November 2020, the Small Business Administration loan balance was forgiven and is reported in Other Revenue – Miscellaneous income in the accompanying Statement of Activities.

NOTE 6 – EMPLOYEE BENEFIT PLAN

The Organization has established a section 408(p) retirement plan (SIMPLE IRA), where eligible employees are able to defer compensation on a pre-tax basis into the plan and immediately are vested in their contributed amount. Contributions costs are determined as a match of each eligible employee's voluntary contribution up to a maximum of 3% of each covered employee's salary. The required contribution for the years ended June 30, 2021 and June 30, 2020 was \$9,767 and \$7,403, respectively.

NOTE 7 – RESTRICTIONS/LIMITATIONS ON NET ASSETS

Net assets are released from donor restrictions by meeting time restrictions or by incurring expenses satisfying the purpose restrictions specified by donors.

At June 30, 2021 and 2020, net assets with donor restrictions were available for the following purposes:

	<u>2021</u>	<u>2020</u>
Initial endowment – Community Foundation of Henderson County	\$ 5,000	\$ 5,000
Joan W. Books Endowment	<u>80,000</u>	<u>80,000</u>
Total Restricted in Perpetuity	<u>\$ 85,000</u>	<u>\$ 85,000</u>
Purpose Restriction – Meals on Wheels	<u>\$ -</u>	<u>\$ 17,055</u>

NOTE 8 – LEASES

Operating Lease: The Organization has a non-cancelable operating lease for a copier/printer which was leased in November 2019 for a term of sixty-three months. Future minimum lease payments as of June 30, 2021 are as follows:

<u>Year Ending</u>	
2022	\$ 4,914
2023	4,914
2024	4,914
2025	<u>2,867</u>
Total	<u>\$ 17,609</u>

NOTE 8 – LEASES (CONTINUED)

Lease on Thrift Stores: In March 2004, the Organization signed a one year lease on property in Etowah, North Carolina to open a thrift store. The Organization extended the lease in September 2011 for an additional three year period ending August 31, 2014 with the stipulation to lease on a month-to-month basis unless terminated by either party.

Since August 31, 2014, the Organization has continued to occupy the space on a month-to-month basis. The monthly lease amount is \$950. In addition, in November 2016, the Organization signed a lease to occupy additional office space on a monthly basis with lease payments beginning December 2016. The monthly lease amount for this additional space is \$200.

On April 13, 2011, the Organization entered into a lease agreement for property on Spartanburg Highway in Hendersonville, North Carolina to relocate one of the thrift stores. The terms of the lease began on April 13, 2011 and ends on March 1, 2022.

At the conclusion of the initial lease period, a five-year extension will be considered by both parties prior to entering into a month-to-month tenancy. The rental installment shall consist of \$3,100 per month for three months and then increase to \$3,600 per month for two years. After July 1, 2013, the rent amount shall be increased annually based on the percentage increase of the Consumer Price Index, as issued yearly by the United States Department of Labor Bureau of Statistics.

On June 25, 2020, the Organization entered into a one year lease for property ending June 25, 2021 in Hendersonville, North Carolina to operate the Sammy Williams Community Center. On October 1, 2021, the lease was renewed for an additional one-year period and ends September 30, 2022. The monthly lease amount is \$450.

Future minimum payments for these leases as of June 30, 2021 are as follows:

<u>Year Ending</u>	
2022	\$ 36,450
2023	<u>1,350</u>
Total	<u>\$ 37,800</u>

NOTE 9 – COMPENSATED ABSENCES

The Organization provides paid vacation and sick time for all full time employees. In addition, paid vacation at one half the rate of full time employees is provided to part time employees. Vacation hours are accrued as described in the Employee Handbook and are determined by years of service. Unused vacation pay at June 30, 2021 and 2020 had a value of \$9,614 and \$7,765, respectively. Sick time of 80 hours is provided to full time employees at the beginning of a calendar year. Unused sick time is not allowed to be carried over and is forfeited when an employee terminates. Since the Organization has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been recorded.

NOTE 10 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash.

The Organization has the following financial assets that could be readily available within one year of the statement of financial position to fund expenses without limitations at June 30:

	<u>2021</u>	<u>2020</u>
Cash	\$ 445,467	\$ 557,622
Accounts and contracts receivable	142	523
Grants receivable	242,069	86,844
Other receivables	<u>11,878</u>	<u>13,273</u>
	<u>\$ 699,556</u>	<u>\$ 658,262</u>

Although not expected to be needed, the Organization also has available for spending without limitation, the board designated endowment of \$120,000 at June 30, 2021 and 2020. These resources are invested for long-term appreciation and current income but may be spent at the discretion of the Board. See Note 4 for further information about the Organization's beneficial interest in endowment funds and investments, respectively.

NOTE 11 – SALE OF DONATED ITEMS, NET

The resale stores operated by the Organization are reported net of related expenses in the Statements of Activities. The following schedules provide the details of these activities as of June 30, 2021 and 2020, respectively:

	<u>Etowah Thrift Store</u>	<u>Hendersonville Thrift Store</u>	<u>Total 2021</u>
REVENUE:			
Resale shop sales	\$ 368,635	\$ 229,093	\$ 597,728
EXPENSES:			
Accounting fees	1,971	1,971	3,942
Advertising	1,785	1,785	3,570
Contracted services	1,359	1,761	3,120
Bank fees	92	-	92
Depreciation	96	6,338	6,434
Employee benefits	52	8,386	8,438
Insurance	1,177	4,235	5,412
Payroll processing fees	361	499	860
Office and communications expenses	3,109	2,233	5,342
Payroll taxes	5,463	6,104	11,567
Rent, utilities and maintenance	26,884	69,090	95,974
Recruiting	-	140	140
Retirement plan contributions	1,184	1,091	2,275
Salaries	72,250	80,564	152,814
Selling expenses	545	576	1,121
Staff and volunteer development	240	322	562
Supplies	3,285	4,049	7,334
Travel and transportation	622	605	1,227
Vehicle expenses	402	447	849
TOTAL EXPENSES	<u>120,877</u>	<u>190,196</u>	<u>311,073</u>
SALE OF DONATED ITEMS (NET)	<u>\$ 247,758</u>	<u>\$ 38,897</u>	<u>\$ 286,655</u>

NOTE 11 – SALE OF DONATED ITEMS, NET (CONTINUED)

	Etowah Thrift Store	Hendersonville Thrift Store	Total 2020
REVENUE:			
Resale shop sales	\$ 278,566	\$ 175,179	\$ 453,745
EXPENSES:			
Accounting fees	1,905	1,905	3,810
Advertising	1,537	1,459	2,996
Contracted services	6,448	4,804	11,252
Bank fees	44	24	68
Depreciation	96	6,295	6,391
Employee benefits	55	7,110	7,165
Insurance	1,436	3,943	5,379
Payroll processing fees	355	381	736
Postage and shipping	11	15	26
Office and communications expenses	3,206	2,440	5,646
Payroll taxes	5,523	6,148	11,671
Rent, utilities and maintenance	26,096	64,680	90,776
Recruiting	-	129	129
Retirement plan contributions	1,311	90	1,401
Salaries	72,534	81,523	154,057
Selling expenses	2,379	1,244	3,623
Staff and volunteer development	287	992	1,279
Supplies	4,116	4,135	8,251
Travel and transportation	318	101	419
Vehicle expenses	864	794	1,658
TOTAL EXPENSES	<u>128,521</u>	<u>188,212</u>	<u>316,733</u>
SALE OF DONATED ITEMS (NET)	<u>\$ 150,045</u>	<u>\$ (13,033)</u>	<u>\$ 137,012</u>

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Governmental Assisted Programs: The Organization has received proceeds from various federal, state, and local agencies. Periodic audits of these grants and third party reimbursements are required and certain costs may be questioned as not being appropriate expenses under the agreements.

Such audits could result in the refund of grant and third party reimbursements monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision had been made in the accompanying financial statements for the refund of grant funds, or third party reimbursements.

NOTE 12 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Risk Management: The Organization is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Organization carries commercial insurance for risks related to workers compensation, employee and director liability, and property and casualty insurance for risks related to theft, fire, and other natural disasters. There have been no significant reductions in insurance coverage in the prior year and claims have not exceeded coverage in any recent periods.

NOTE 13 – SUBSEQUENT EVENTS

Subsequent events which provide evidence about conditions that existed after the Statement of Financial Position date require disclosure in the accompanying notes.

The full impact of COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, and workforce and is not able to estimate the effects of the outbreak on its operations, financial condition, or liquidity for the fiscal year 2022.

Management has evaluated subsequent events through November 16, 2021, the date the financial statements were available to be issued, and have concluded no additional subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.



BRADSHAW, GORDON & CLINKSCALES, LLC
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Henderson County Council on Aging, Inc.
Hendersonville, North Carolina

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 Henderson County Council on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 16, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Henderson County Council on Aging, Inc.'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Henderson County Council on Aging, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Henderson County Council on Aging, Inc.'s internal control.

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Henderson County Council on Aging, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bradshaw, Gordon & Clinebarger, LLC

Greenville, South Carolina
November 16, 2021

HENDERSON COUNTY COUNCIL ON AGING, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Total
<i>U.S. Department of Agriculture:</i>					
Food and Nutrition Service					
Passed through:					
Land of Sky Regional Council					
Nutrition Services Incentive Program	93.053	20/21AANCNSIP	\$ 53,028	\$ -	\$ 53,028
Total U.S. Department of Agriculture			<u>53,028</u>	<u>-</u>	<u>53,028</u>
<i>U.S. Department of Health and Human Services:</i>					
Passed Through:					
N.C. Dept. of Health and Human Services Division of Aging					
Land of Sky Regional Council					
Home and Community Care Block Grant:					
Title III, Part C1, Nutrition Services (*)	93.045	20/21AANCT3CM	28,333	1,667	30,000
Title III, Part C2, Nutrition Services (**)	93.045	20/21AANCT3HD	<u>277,813</u>	<u>154,523</u>	<u>432,336</u>
Total Home and Community Care Block Grant			306,146	156,190	462,336
National Family Caregiver Support, Title III, Part E	93.052	20/21AANCT3FC	41,751	2,783	44,534
Division of Medical Assistance Community Alternatives Program			<u>-</u>	<u>12,068</u>	<u>12,068</u>
Total U.S. Department of Health and Human Services			<u>347,897</u>	<u>171,041</u>	<u>518,938</u>

(*) - includes Congregate Nutrition assistance.

(**) - includes Home Delivered Meals and Liquid Nutrition assistance.

HENDERSON COUNTY COUNCIL ON AGING, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Total
<i>Family First Act Coronavirus Response Act:</i>					
Passed through:					
Land of Sky Regional Council					
Congregate Nutrition Services	93.045		\$ 10,799	\$ -	\$ 10,799
Home Delivered Meals	93.045		<u>72,736</u>	<u>-</u>	<u>72,736</u>
Total Family First Act Coronavirus Response Act			<u>83,535</u>	<u>-</u>	<u>83,535</u>
<i>Coronavirus Aid, Relief, and Economic Securities (CARES) Act:</i>					
Passed through:					
Land of Sky Regional Council					
Congregate Nutrition Services	93.045		5,656	-	5,656
Home Delivered Meals	93.045		114,721	-	114,721
In-Home and Support	93.044		600	-	600
In-Home and Support (GT)	93.044		2,740	-	2,740
Family Caregiver Support	93.052		<u>7,053</u>	<u>-</u>	<u>7,053</u>
Total Coronavirus Aid, Relief, and Economic Securities (CARES) Act			<u>130,770</u>	<u>-</u>	<u>130,770</u>
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS			<u>\$ 615,230</u>	<u>\$ 171,041</u>	<u>\$ 786,271</u>

(*) - includes Congregate Nutrition assistance.

(**) - includes Home Delivered Meals and Liquid Nutrition assistance.

HENDERSON COUNTY COUNCIL ON AGING, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Total
<i>U.S. Department of Agriculture:</i>					
Food and Nutrition Service					
Passed through:					
Land of Sky Regional Council					
Nutrition Services Incentive Program	93.053	19/20AANCNSIP	\$ 57,949	\$ -	\$ 57,949
Total U.S. Department of Agriculture			<u>57,949</u>	<u>-</u>	<u>57,949</u>
<i>U.S. Department of Health and Human Services:</i>					
Passed Through:					
N.C. Dept. of Health and Human Services Division of Aging					
Land of Sky Regional Council					
Home and Community Care Block Grant:					
Title III, Part C1, Nutrition Services (*)	93.045	19/20AANCT3CM	27,294	1,606	28,900
Title III, Part C2, Nutrition Services (**)	93.045	19/20AANCT3HD	<u>252,028</u>	<u>85,886</u>	<u>337,914</u>
Total Home and Community Care Block Grant			279,322	87,492	366,814
National Family Caregiver Support, Title III, Part E	93.052	19/20AANCT3FC	42,496	2,833	45,329
Division of Medical Assistance Community Alternatives Program			<u>-</u>	<u>6,356</u>	<u>6,356</u>
Total U.S. Department of Health and Human Services			<u>321,818</u>	<u>96,681</u>	<u>418,499</u>
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS			<u>\$ 379,767</u>	<u>\$ 96,681</u>	<u>\$ 476,448</u>

(*) - includes Congregate Nutrition assistance.

(**) - includes Home Delivered Meals and Liquid Nutrition assistance.

HENDERSON COUNTY COUNCIL ON AGING, INC.

NOTE TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal and State Awards include the Federal and State grant activity of Henderson County Council on Aging, Inc. The information in these schedules are presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedules present only a selected portion of the operations of Henderson County Council on Aging, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Henderson County Council on Aging, Inc.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedules of Expenditures of Federal and State Awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowed or are limited as to reimbursement.