

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

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 AND 2021

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

Opinions

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, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Henderson County Council on Aging, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Henderson County Council on Aging, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Henderson County Council on Aging, Inc.'s financial statements.

The accompanying schedules of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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 schedules of expenditures of federal awards are 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 February 24, 2023, on our consideration of the 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 solely 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 the effectiveness of Henderson County Council on Aging, Inc.'s 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 & Clinkerale, LLC

Greenville, South Carolina

February 24, 2023

HENDERSON COUNTY COUNCIL ON AGING, INC.

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 559,005	\$ 445,467
Cash – restricted	84,362	-
Accounts and contracts receivable	8,447	142
Accounts and contracts receivable – restricted	183,725	-
Grants receivable	198,357	242,069
Other receivables	14,414	11,878
Total Current Assets	<u>1,048,310</u>	<u>699,556</u>
Property and Equipment:		
Land, buildings and equipment, net of accumulated depreciation	<u>423,379</u>	<u>445,132</u>
Other Assets:		
Beneficial interest in investment in Henderson County Community Foundation	616,177	510,216
Beneficial interest in endowment funds	326,405	385,851
Beneficial interest in endowment funds, restricted	85,000	85,000
Right-of-use assets under operating leases, net	<u>253,691</u>	<u>-</u>
Total Other Assets	<u>1,281,273</u>	<u>981,067</u>
TOTAL ASSETS	<u>\$ 2,752,962</u>	<u>\$ 2,125,755</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Accounts payable	\$ 82,366	\$ 37,677
Accrued compensation payable	39,340	9,614
Current portion of operating lease liabilities	<u>51,972</u>	<u>-</u>
Total Current Liabilities	173,678	47,291
OPERATING LEASE LIABILITIES, less current portion	<u>202,440</u>	<u>-</u>
TOTAL LIABILITIES	<u>376,118</u>	<u>47,291</u>
NET ASSETS:		
Without donor restrictions:		
Undesignated	1,903,757	1,873,464
Board designated – Joan Books Endowment	120,000	120,000
With donor restrictions:		
Restricted in perpetuity	85,000	85,000
Purpose restriction – Meals on Wheels	15,000	-
Purpose restriction – Hub and Spoke Program	<u>253,087</u>	<u>-</u>
Total Net Assets	<u>2,376,844</u>	<u>2,078,464</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,752,962</u>	<u>\$ 2,125,755</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, 2022

	Without Donor Restrictions	With Donor Restrictions	2022 Total
PUBLIC SUPPORT:			
Contributions and grants:			
Bequests and memorials	\$ 20,456	\$ -	\$ 20,456
Annual news letter	13,384	-	13,384
Coronavirus Aid, Relief, and Economic Securities Act	67,007	-	67,007
Coronavirus Response Family First Act	19,536	-	19,536
City of Hendersonville	4,700	-	4,700
Community Foundation of Henderson County	25,000	-	25,000
Dogwood Health Trust	-	253,087	253,087
Federal and state assistance	641,222	-	641,222
Foundation of the Carolinas - Food Lion	2,065	-	2,065
Henderson County	36,075	-	36,075
Henderson County United Way	17,686	15,000	32,686
HomeTrust Bank	500	-	500
Hunger Coalition	7,000	14,500	21,500
Meals on Wheels America	23,295	-	23,295
Pisgah Health Foundation	24,000	-	24,000
Walmart	1,500	-	1,500
WNC Bridge Foundation	46,500	-	46,500
Other contributions	148,112	-	148,112
Total Public Support	<u>1,098,038</u>	<u>282,587</u>	<u>1,380,625</u>
PROGRAM REVENUE – EXCHANGE PORTION:			
Congregate Meals - Sammy Williams Center	14,009	-	14,009
Home Delivered Meals	18,538	-	18,538
Liquid Nutrition	325	-	325
Support Services	1,485	-	1,485
Total Program Revenue	<u>34,357</u>	<u>-</u>	<u>34,357</u>
OTHER REVENUES:			
Sale of donated items, net	345,469	-	345,469
Investment income, net of fees and withdrawals	40,438	-	40,438
Realized and unrealized gains (losses)	(143,923)	-	(143,923)
Miscellaneous income	15,231	-	15,231
Total Other Revenues	<u>257,215</u>	<u>-</u>	<u>257,215</u>
NET ASSETS RELEASED FROM RESTRICTIONS:			
Satisfaction of usage/time restrictions	14,500	(14,500)	-
TOTAL PUBLIC SUPPORT, PROGRAM AND OTHER REVENUES	<u>1,404,110</u>	<u>268,087</u>	<u>1,672,197</u>
EXPENSES AND LOSSES:			
Program Services:			
Meals on Wheels	740,318	-	740,318
Congregate Meals	78,609	-	78,609
Liquid Nutrition	66,843	-	66,843
Support Services	199,048	-	199,048
Total Program Services	<u>1,084,818</u>	<u>-</u>	<u>1,084,818</u>
Administrative Services:			
Total Administrative and Development Services	288,999	-	288,999
TOTAL EXPENSES	<u>1,373,817</u>	<u>-</u>	<u>1,373,817</u>
CHANGE IN NET ASSETS	30,293	268,087	298,380
NET ASSETS, Beginning of Year	<u>1,993,464</u>	<u>85,000</u>	<u>2,078,464</u>
NET ASSETS, End of Year	<u>\$ 2,023,757</u>	<u>\$ 353,087</u>	<u>\$ 2,376,844</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 FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Program Services</u>				<u>Administrative Services</u>		2022 Total
	<u>Meals On Wheels</u>	<u>Congregate Meals</u>	<u>Liquid Nutrition</u>	<u>Support Services</u>	<u>Total Program Services</u>	<u>Total Administrative and Development</u>	
SALARIES AND RELATED EXPENSES:							
Salaries	\$ 168,452	\$ 47,879	15,974	\$ 104,792	\$ 337,097	\$ 122,307	\$ 459,404
Benefits – health	18,584	7,680	-	6,997	33,261	41,985	75,246
Payroll taxes	12,043	3,508	1,178	7,885	24,614	10,208	34,822
Retirement plan contributions	2,538	711	-	1,182	4,431	4,262	8,693
TOTAL SALARIES AND RELATED EXPENSES	<u>201,617</u>	<u>59,778</u>	<u>17,152</u>	<u>120,856</u>	<u>399,403</u>	<u>178,762</u>	<u>578,165</u>
OTHER OPERATING EXPENSES:							
Accounting	2,100	525	525	1,050	4,200	2,100	6,300
Advertising	696	-	-	-	696	6,860	7,556
Contracted services	135	-	-	2,430	2,565	16,249	18,814
Bank and endowment fees	-	-	-	-	-	10,407	10,407
Equipment leases	3,249	-	268	1,063	4,580	874	5,454
Depreciation	18,236	548	708	2,732	22,224	2,120	24,344
Insurance	8,803	1,332	166	1,918	12,219	5,660	17,879
Payroll processing fees	-	-	-	-	-	3,024	3,024
Postage and shipping	-	-	-	-	-	815	815
Professional dues and fees	400	-	-	-	400	2,244	2,644
Program expenses	477,096	2,473	46,622	53,860	580,051	1,000	581,051
Rent, utilities and maintenance	10,266	10,176	840	1,678	22,960	6,394	29,354
Recruiting	266	-	-	39	305	1,979	2,284
Staff and volunteer development	2,602	438	-	818	3,858	21,336	25,194
Supplies	1,637	834	190	3,831	6,492	11,922	18,414
Miscellaneous	-	-	-	-	-	8,433	8,433
Office and communications expenses	7,527	2,505	372	8,380	18,784	7,631	26,415
Travel and transportation	2,452	-	-	393	2,845	1,107	3,952
Vehicle expenses	3,236	-	-	-	3,236	82	3,318
TOTAL OTHER OPERATING EXPENSES	<u>538,701</u>	<u>18,831</u>	<u>49,691</u>	<u>78,192</u>	<u>685,415</u>	<u>110,237</u>	<u>795,652</u>
TOTAL EXPENSES	<u>\$ 740,318</u>	<u>\$ 78,609</u>	<u>66,843</u>	<u>\$ 199,048</u>	<u>\$ 1,084,818</u>	<u>\$ 288,999</u>	<u>\$ 1,373,817</u>

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

	<u>Program Services</u>				<u>Administrative Services</u>		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.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 298,380	\$ 454,134
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	31,795	35,526
Noncash debt forgiveness	-	(124,300)
Unrealized (gains) losses	143,923	(123,394)
Amortization of operating lease right-of-use asset	721	-
(Increase) decrease in:		
Accounts and contracts receivable	(8,305)	381
Accounts and contracts receivable – restricted	(183,725)	-
Grants receivable	43,712	(155,225)
Other receivables	(2,536)	1,395
Increase (decrease) in:		
Accounts payable	44,689	6,484
Accrued interest payable	-	(187)
Accrued compensation payable	29,726	1,849
	<u>398,380</u>	<u>96,663</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
	<u>398,380</u>	<u>96,663</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(10,042)	(30,312)
Increase in long-term investments	(40,438)	(15,561)
Additional investment in beneficial interest endowment funds	(150,000)	(180,000)
	<u>(200,480)</u>	<u>(225,873)</u>
NET CASH USED BY INVESTING ACTIVITIES		
	<u>(200,480)</u>	<u>(225,873)</u>
INCREASE (DECREASE) IN CASH	197,900	(129,210)
CASH, Beginning of Year	<u>445,467</u>	<u>574,677</u>
CASH, End of Year	<u>\$ 643,367</u>	<u>\$ 445,467</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS:		
Cash	\$ 559,005	\$ 445,467
Cash – restricted	84,362	-
	<u>\$ 643,367</u>	<u>\$ 445,467</u>
NON-CASH TRANSACTIONS:		
Right-of-use assets obtained in exchange for new operating lease liabilities	<u>\$ 267,637</u>	<u>\$ -</u>

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

HENDERSON COUNTY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

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, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021 the Organization reported \$198,357 and \$242,069 as grants receivable on the Statements of Financial position, due to the Organization incurring qualifying expenditures that had not been reimbursed. At June 30, 2022 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, 2022 and 2021, 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, 2022 and 2021, volunteers contributed 21,207 and 20,893 hours, respectively, to assist with Meals on Wheels, Congregate Meals, Thrift Stores, and office support. In addition, during the years ended June 30, 2022 and 2021, Meals on Wheels volunteer drivers contributed 47,967 and 37,966 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, 2022 and June 30, 2021. 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, 2022 and 2021 were \$1,027,582 and \$981,067, 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, 2022, and 2021, the Organization had \$388,824 and \$207,512 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, 2022 and 2021, 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.

Recently Implemented Accounting Standards Update: 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. The requirements of ASU 2016-02, *Leases* are effective for fiscal year 2023. The Organization early-adopted the provisions of this new standard during the year ended June 30, 2022. See Note 7 for additional information regarding the Organization’s lease transactions.

NOTE 2 – GRANTS RECEIVABLE

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

	<u>2022</u>	<u>2021</u>
Land-of-Sky Regional Council Block Grant	<u>\$ 198,357</u>	<u>\$ 242,069</u>

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>2022</u>	<u>2021</u>
Land and building – King Creek	\$ 702,683	\$ 702,683
Leasehold improvements – Hendersonville Store	75,769	69,219
Furniture, fixtures and improvements	67,491	63,999
Software/marketing	8,000	8,000
Vehicles	<u>85,661</u>	<u>85,661</u>
	939,604	929,562
Less: Accumulated depreciation	<u>516,225</u>	<u>484,430</u>
Total Property and Equipment	<u>\$ 423,379</u>	<u>\$ 445,132</u>

Depreciation expense recorded at June 30, 2022 and June 30, 2021 is \$31,795 and \$35,526, 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.

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.

NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)

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, 2022 or 2021.

There were no changes during the years ended June 30, 2022 and 2021 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, 2022 and 2021. 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.

A reconciliation of Level 3 inputs for the June 30, 2022 year is as follows:

	<u>Total (All Level 3)</u>
Inputs, beginning of year	\$ 981,067
Contributions	150,000
Investment income, net of fees and withdrawals	40,438
Unrealized gains and (losses)	<u>(143,923)</u>
Inputs, End of Year	<u><u>\$ 1,027,582</u></u>

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><u>\$ 981,067</u></u>

NOTE 5 – 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, 2022 and June 30, 2021 was \$11,098 and \$9,767, respectively.

NOTE 6 – 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, 2022 and 2021, net assets with donor restrictions were available for the following purposes:

	2022	2021
Initial endowment – Community Foundation of Henderson County	\$ 5,000	\$ 5,000
Joan W. Books Endowment	80,000	80,000
Total Restricted in Perpetuity	<u>\$ 85,000</u>	<u>\$ 85,000</u>
Purpose Restriction – Meals on Wheels	<u>\$ 15,000</u>	<u>\$ -</u>
Purpose Restriction – Hub and Spoke Program	<u>\$ 253,087</u>	<u>\$ -</u>

NOTE 7 – 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.

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.

NOTE 7 – LEASES (CONTINUED)

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 ended on March 1, 2022. The lease was renewed in March 2022 for a five-year extension. Monthly payments range from \$4,417 to \$4,782, increasing 2% annually.

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.

In accordance with ASU 2016-02, during the year ended June 30, 2022, the Organization recorded the addition of right-of-use assets and operating lease liabilities totaling \$267,637, respectively, to account for the copier/printer lease and the lease of Hendersonville property. The calculations are based on the noncancelable terms specified in the lease agreements and assumes a discount rate of 2.79%, the Organizations estimated incremental borrowing rate. During the year ended June 30, 2022, the Organization recognized rent expense of \$20,848 and a reduction of the operating lease liabilities totaling \$13,225 for the copier/printer lease and the lease of Hendersonville property. The weighted average lease term in years for these leases is 4.57 years.

Future minimum payments for these leases as of June 30, 2022 are as follows:

<u>Year Ending</u>	
2023	\$ 58,276
2024	59,344
2025	58,385
2026	56,628
2027	<u>38,252</u>
Total operating lease payments due	270,885
Less: Discount to present value	<u>16,473</u>
Total Operating Leases	<u>\$ 254,412</u>

NOTE 8 – 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, 2022 and 2021 had a value of \$12,792 and \$9,614, 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 9 – 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>2022</u>	<u>2021</u>
Cash	\$ 559,005	\$ 445,467
Cash – restricted	84,362	-
Accounts and contracts receivable	8,447	142
Accounts and contracts receivable – restricted	183,725	-
Grants receivable	198,357	242,069
Other receivables	14,414	11,878
	<u>\$ 1,048,310</u>	<u>\$ 699,556</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, 2022 and 2021. 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 10 – 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, 2022 and 2021, respectively:

	Etowah <u>Thrift Store</u>	Hendersonville <u>Thrift Store</u>	Total <u>2022</u>
REVENUE:			
Resale shop sales	\$ 414,146	\$ 300,221	\$ 714,367
EXPENSES:			
Accounting fees	2,100	2,100	4,200
Advertising	977	977	1,954
Contracted services	-	294	294
Bank fees	-	31	31
Depreciation	96	7,355	7,451
Employee benefits	50	15,893	15,943
Insurance	1,810	4,799	6,609
Office and communications expenses	3,961	2,211	6,172
Payroll taxes	7,028	7,130	14,158
Rent, utilities and maintenance	27,105	75,209	102,314
Retirement plan contributions	1,264	1,140	2,404
Salaries	95,537	97,210	192,747
Selling expenses	643	590	1,233
Staff and volunteer development	467	708	1,175
Supplies	2,484	3,546	6,030
Travel and transportation	2,313	2,325	4,638
Vehicle expenses	737	808	1,545
TOTAL EXPENSES	<u>146,572</u>	<u>222,326</u>	<u>368,898</u>
SALE OF DONATED ITEMS (NET)	<u>\$ 267,574</u>	<u>\$ 77,895</u>	<u>\$ 345,469</u>

NOTE 10 – SALE OF DONATED ITEMS, NET (CONTINUED)

	Etowah Thrift Store	Hendersonville Thrift Store	Total 2021
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	120,877	190,196	311,073
SALE OF DONATED ITEMS (NET)	\$ 247,758	\$ 38,897	\$ 286,655

NOTE 11 – 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 11 – 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 12 – SUBSEQUENT EVENTS

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

Management has evaluated subsequent events through February 24, 2023, the date the financial statements were available to be issued and have concluded no 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, 2022, 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 February 24, 2023.

Report on 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.

Report on 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 & Chinkovales, LLC

Greenville, South Carolina
February 24, 2023

HENDERSON COUNTY COUNCIL ON AGING, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

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	21/22AANCNSIP	\$ 64,078	\$ -	\$ 64,078
Total U.S. Department of Agriculture			<u>64,078</u>	<u>-</u>	<u>64,078</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	21/22AANCT3CM	44,639	9,384	54,023
Title III, Part C2, Nutrition Services (**)	93.045	21/22AANCT3HD	<u>107,637</u>	<u>275,874</u>	<u>383,511</u>
Total Home and Community Care Block Grant			152,276	285,258	437,534
National Family Caregiver Support, Title III, Part E	93.052		50,113	3,341	53,454
Division of Medical Assistance Community Alternatives Program			<u>-</u>	<u>6,219</u>	<u>6,219</u>
Total U.S. Department of Health and Human Services			<u>202,389</u>	<u>294,818</u>	<u>497,207</u>

(*) - includes Congregate Nutrition assistance.

(**) - includes Home Delivered Nutrition 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, 2022

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					
Home Delivered Nutrition	93.045		\$ 19,536	\$ -	\$ 19,536
Total Family First Act Coronavirus Response Act			<u>19,536</u>	<u>-</u>	<u>19,536</u>
<i>Coronavirus Aid, Relief, and Economic Securities (CARES) Act:</i>					
Passed through:					
Land of Sky Regional Council					
Home Delivered Nutrition	93.045		63,427	-	63,427
In-Home and Support	93.044		1,633	-	1,633
Family Caregiver Support	93.052		1,947	-	1,947
Total Coronavirus Aid, Relief, and Economic Securities (CARES) Act			<u>67,007</u>	<u>-</u>	<u>67,007</u>
<i>American Rescue Act Plan:</i>					
Passed through:					
Land of Sky Regional Council					
Home Delivered Nutrition	93.045		19,273	-	19,273
Total American Rescue Act Plan			<u>19,273</u>	<u>-</u>	<u>19,273</u>
<i>52S Supplement:</i>					
Passed through:					
Land of Sky Regional Council					
Home Delivered Nutrition	93.045		60,664	-	60,664
Total 52S Supplement			<u>60,664</u>	<u>-</u>	<u>60,664</u>
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS			<u>\$ 432,947</u>	<u>\$ 294,818</u>	<u>\$ 727,765</u>

(*) - includes Congregate Nutrition assistance.

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

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			53,028	-	53,028
<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	277,813	154,523	432,336
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			-	12,068	12,068
Total U.S. Department of Health and Human Services			347,897	171,041	518,938

(*) - includes Congregate Nutrition assistance.

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

HENDERSON COUNTY COUNCIL ON AGING, INC.

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEARS ENDED June 30, 2022 AND 2021

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.