

VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA

ANNUAL FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Vernon Council on Aging, Inc.
Leesville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vernon Council on Aging, Inc., (a nonprofit organization) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Vernon Council on Aging, Inc.'s basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Vernon Council on Aging, Inc. as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information, on pages 27-30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Vernon Council on Aging, Inc.'s basic financial statements. The schedule of non-major special revenue funds combining statement of revenues and expenditures, comparative schedule of general fund fixed assets and changes in general fixed assets and schedule of compensation, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of non-major special revenue funds combining statement of revenues and expenditures, comparative schedule of general fund fixed assets and changes in general fixed assets and schedule of compensation, benefits and other payments to agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of non-major special revenue funds combining statement of revenues and expenditures, comparative schedule of general fund fixed assets and changes in general fixed assets and schedule of compensation, benefits and other payments to agency head are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2021, on our consideration of Vernon 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 the Vernon 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 Vernon Council on Aging, Inc.'s internal control over financial reporting and compliance.



DeRidder, Louisiana
December 7, 2021

BASIC FINANCIAL STATEMENTS

Statement of Net Position
June 30, 2021

	Governmental Activities
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 415,646
Receivables	
Accounts	10,005
Hotel/motel tax	8,003
DOTD Section 18	59,050
Police Jury millage	706
Total current assets	\$ 493,410
Noncurrent Assets	
Capital assets not being depreciated	\$ 55,000
Capital assets being depreciated, net	233,104
Total noncurrent assets	\$ 288,104
Total assets	\$ 781,514
LIABILITIES	
Current Liabilities	
Accounts payable	\$ 33,854
Payroll taxes payable	8,879
Total current liabilities	\$ 42,733
Noncurrent Liabilities	
Due within one year	\$ -
Due in more than one year	22,032
Total noncurrent liabilities	\$ 22,032
Total liabilities	\$ 64,765
NET POSITION	
Net investment in capital assets	\$ 288,104
Unrestricted	428,645
Total net position	\$ 716,749
Total liabilities and net position	\$ 781,514

The accompanying notes are an integral part of this statement.

Statement of Activities
For the Year Ended June 30, 2021

	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Position
					Program Services
Program Services:					
General government	\$ 330,423	\$ 175,488	\$ 632,089	\$ 56,750	\$ 533,904
AAA fund	34,559	-	34,559	-	-
Title III C-1 fund	68,507	-	85,565	-	17,058
Title III C-2 fund	409,650	-	196,200	-	(213,450)
Title III B fund	222,820	-	122,592	-	(100,228)
Title III D fund	-	-	5,908	-	5,908
Title III E fund	35,988	-	56,966	-	20,978
Senior center	96,907	-	46,264	-	(50,643)
Supplemental senior center	-	-	10,912	-	10,912
NSIP fund	-	-	32,681	-	32,681
	<u>\$ 1,198,854</u>	<u>\$ 175,488</u>	<u>\$ 1,223,736</u>	<u>\$ 56,750</u>	<u>\$ 257,120</u>
General revenues:					
Hotel/motel taxes					\$ 47,960
Investment income					272
State revenue sharing					11,449
Expenditure reimbursement					196
Total general revenues					<u>59,877</u>
Change in net position					316,997
Net position at beginning of year					<u>399,752</u>
Net position at end of year					<u>\$ 716,749</u>

The accompanying notes are an integral part of this statement.

Balance Sheet
June 30, 2021

ASSETS	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Current Assets			
Cash and cash equivalents	\$ 415,646	\$ -	\$ 415,646
Receivables			
Accounts	10,005	-	10,005
Hotel/motel tax	8,003	-	8,003
DOTD Section 18	59,050	-	59,050
Police Jury millage	706	-	706
Total assets	<u>\$ 493,410</u>	<u>\$ -</u>	<u>\$ 493,410</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 33,854	\$ -	\$ 33,854
Payroll taxes payable	8,879	-	8,879
Total current liabilities	<u>\$ 42,733</u>	<u>\$ -</u>	<u>\$ 42,733</u>
FUND BALANCES			
Fund Balances			
Unassigned	<u>\$ 450,677</u>	<u>\$ -</u>	<u>\$ 450,677</u>
Total liabilities and fund balances	<u>\$ 493,410</u>	<u>\$ -</u>	<u>\$ 493,410</u>

The accompanying notes are an integral part of this statement.

Reconciliation of the Governmental Funds Balance Sheet
to Statement of Net Position
June 30, 2021

Total fund balance - total governmental funds		\$	450,677
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheets.			288,104
Long-term liabilities including notes payable, bank lines of credit and compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
Due within in one year	\$	-	
Due in more than one year		<u>(22,032)</u>	<u>(22,032)</u>
Net position of governmental activities			<u><u>\$ 716,749</u></u>

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2021

	Major Funds					Total Funds
	General Fund	Title III C-1 Fund	Title III C-2 Fund	Title III B Fund	Other Funds	
REVENUES						
Intergovernmental						
Governor's Office of Elderly Affairs	\$ 100,000	\$ 85,565	\$ 178,300	\$ 122,592	\$ 154,609	\$ 641,066
DOTD Section 18 Transportation	368,000	-	-	-	-	368,000
DOTD Federal Transit Grant	56,750	-	-	-	-	56,750
Medicaid Transportation	147,674	-	-	-	-	147,674
Nutrition Services Incentive Program	-	-	-	-	32,681	32,681
Vernon Parish Police Jury	153,372	-	-	-	-	153,372
State revenue sharing	11,449	-	-	-	-	11,449
Taxes						
Hotel/motel	47,960	-	-	-	-	47,960
Public support						
Participant contributions	18,433	-	-	-	-	18,433
In kind support	-	-	17,900	-	-	17,900
Expenditures reimbursements	196	-	-	-	-	196
Local donations	9,912	-	-	-	-	9,912
Other donations	805	-	-	-	-	805
Interest income	272	-	-	-	-	272
Commissions	9,381	-	-	-	-	9,381
Total revenues	\$ 924,204	\$ 85,565	\$ 196,200	\$ 122,592	\$ 187,290	\$ 1,515,851

(Continued)

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2021

	Major Funds					Total Funds
	General Fund	Title III C-1 Fund	Title III C-2 Fund	Title III B Fund	Other Funds	
EXPENDITURES						
Program services:						
Health, Welfare and Social Services						
Salaries and benefits	\$ 227,736	\$ 20,967	\$ 75,392	\$ 137,050	\$ 57,488	\$ 518,633
Travel	500	14	29	43	10	596
Operating services	50,627	8,512	50,717	28,745	62,686	201,287
In kind operating services	-	-	17,900	-	-	17,900
Operating supplies	42,397	39,014	265,612	9,089	47,270	403,382
Capital outlay	83,965	-	-	-	-	83,965
Total expenditures	<u>\$ 405,225</u>	<u>\$ 68,507</u>	<u>\$ 409,650</u>	<u>\$ 174,927</u>	<u>\$ 167,454</u>	<u>\$ 1,225,763</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 518,979</u>	<u>\$ 17,058</u>	<u>\$ (213,450)</u>	<u>\$ (52,335)</u>	<u>\$ 19,836</u>	<u>\$ 290,088</u>
Other financing sources (uses)						
Operating transfers in	\$ -	\$ -	\$ 325,046	\$ 81,833	\$ 50,643	\$ 457,522
Operating transfers out	<u>(228,891)</u>	<u>(17,058)</u>	<u>(111,596)</u>	<u>(29,498)</u>	<u>(70,479)</u>	<u>(457,522)</u>
Total other financing sources (uses)	<u>\$ (228,891)</u>	<u>\$ (17,058)</u>	<u>\$ 213,450</u>	<u>\$ 52,335</u>	<u>\$ (19,836)</u>	<u>\$ -</u>
Net change in fund balances	\$ 290,088	\$ -	\$ -	\$ -	\$ -	\$ 290,088
Fund balances, beginning of year	<u>160,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,589</u>
Fund balances, end of year	<u>\$ 450,677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 450,677</u>

(Concluded)

The accompanying notes are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021

Net change in fund balances - total governmental funds	\$ 290,088
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	83,965
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(871)
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.	<u>(56,185)</u>
Change in net position of governmental activities	<u><u>\$ 316,997</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

1. PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of the Council on Aging

The purpose of the Council is to collect facts and statistics and make special studies of conditions pertaining to the employment, financial status, recreation, social adjustment, mental and physical health or other conditions affecting the welfare of the aging people of Vernon Parish; to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States; to interpret its findings to the citizens of the parish; to provide for a mutual exchange of ideas and information on the parish and the state level; to conduct public meetings; to make recommendations for needed improvements and additional resources; to promote the welfare of aging people when requested to do so; to coordinate and monitor services of other local agencies serving the aging people of the parish; and to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA) and other departments of state and local government serving the elderly; and to make recommendations relevant to the planning and delivery of services to the elderly of the parish.

Specific services provided by the Council to the elderly residents of Vernon Parish include providing congregate and home delivered meals, nutritional education, personal care, information and assistance, outreach, material aid, utility assistance, homemakers, recreation, legal assistance, disease prevention, health promotion, and transportation.

B. Reporting Entity

In 1964, the State of Louisiana passed Act 456, which authorized the charter of voluntary councils on aging for the welfare of the aging people in their respective parishes. However, before a council on aging can begin operations in a specific parish, its application for a charter must receive approval from the Governor's Office of Elderly Affairs pursuant to LA R.S. 46:1602. The functions of each council on aging in Louisiana must comply with the objectives of state laws and each council is governed by policies and regulations established by GOEA.

The Vernon Council on Aging, Inc. is a legally separate, non-profit, quasi-public corporation. It received its charter and began operations on May 1, 1969.

A board of directors, consisting of 15 voluntary members, who serve three-year terms, governs the Council. The board of directors is comprised of but not limited to, representatives of the parish's elderly populations, general public, private businesses, and elected public officials. Board members are elected annually from general elections.

Membership in the Council is open at all times, without restriction, to all residents of Vernon Parish who have reached the age of majority and who expresses an interest in the Council and wish to contribute to or share in its programs. Membership fees are not charged.

Based on the criteria set forth in GASB Statement 17, the Vernon Council is not a component unit of another primary government nor does it have any component units that are related to it. In addition, based on criteria set forth in GASB Codification Section 2100, the Council has presented its financial statements as a primary government, because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement 14, the term fiscally independent means that the Council may, without approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issued bonded debt. As previously mentioned, GOEA establishes the policies and regulations that all councils must follow. Included in its policies is a provision that the Council's budget is approved by GOEA. However, this approval process is part of GOEA's general oversight responsibility for the Council and is more ministerial or compliance oriented than substantive.

Notes to the Financial Statements (Continued)

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

C. Presentation of Statements

The Council's statements are prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The more significant accounting policies established by GAAP and used by the Council are discussed below.

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

For the first time the financial statements include:

Governmental-Wide Financial Statements prepared using full accrual accounting for all the Council's activities.

A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

D. Basic Financial Statements – Government-Wide Statements

The Council's basic financial statements include both Government-Wide (reporting the Council as a whole) and fund financial statements (reporting the Council's major funds). Both the Government-Wide and Fund Financial Statements categorize primary activities as either governmental or business type. The Council's functions and programs have been classified as governmental activities. The Council does not have any business-type activities, fiduciary funds, or any component units that are fiduciary in nature. Accordingly, the Government-Wide financial statements do not include any of these activities or funds.

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

The Council's policy is to use restricted resources first to finance its activities except for nutrition services. When providing nutrition services, revenues earned by the Council under its USDA contract with GOEA can only be used to pay for the raw food component of each meal that is bought and served to a person eligible to receive a meal under one of the nutrition programs. The Council's management has discretion as to how and when to use the USDA revenues when paying for nutrition program costs. Quite often

Vernon Council on Aging, Inc.

Notes to the Financial Statements (Continued)

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

The Government-Wide Statement of Activities reports both gross and net cost of each of the Council's functions and significant programs. Many functions and programs are supported by general government revenues like intergovernmental revenues, and unrestricted investment income, particularly if the function or program has a net cost. The Statement of Activities begins by presenting gross direct and indirect expenses that include depreciation, and then reduces the expenses by related program revenues, such as operating and capital grants and contributions, to drive the net cost of each function or program. Program revenues must be directly associated with the function or program to be used to directly offset its cost. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

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

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

E. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Council are reported in individual funds in the Funds Financial Statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are reported by generic classification within the financial statements.

The Council uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the primary operating fund of the Council or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type.

Governmental fund equity is called the fund balance. Fund balance is further classified as restricted and unassigned. Restricted means that the fund balance is not available for expenditures because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets that makes them only available to meet future obligations.

The Council has not established a policy for use of the unrestricted fund balance; therefore, it considers committed fund balances to be used first, then assigned fund balances to be used next and finally the unassigned fund balance will be used.

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

- **General Fund** is the general operating fund of the Council. It is used to account for all financial resources except those in another fund.

Vernon Council on Aging, Inc.

Notes to the Financial Statements (Continued)

- **Special Revenue Funds** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service and capital projects. A large percentage of the Council's special revenue funds are Title III funds. These funds are provided by the United States Department of Health and Human Services – Administration on Aging to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

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

Major Special Revenue Funds

Title III C-1 Congregate Meals Fund

The Title III C-1 Fund is used to account for funds, which are used to provide nutritional, congregate meals to the elderly in strategically located centers. During the fiscal year July 1, 2020 to June 30, 2021, the Council serviced approximately 759 congregate meals.

Title III C-2 Home Delivered Meals Fund

Title III C-2 is used to account for funds, which are used to provide nutritional, home delivered meals to homebound older persons. During the fiscal year July 1, 2020 to June 30, 2021, the Council served approximately 54,737 home delivered meals.

Title III-B Supportive Services Fund

Title III-B Supportive Services Fund is used to account for funds which are to provide a variety of social services; such as, information and assistance, assess services, in-home services, community services, legal assistance, and outreach for people age 60 and older.

Non-Major Special Revenue Funds

Title III-E National Family Caregiver Support Fund

The Title III-E Fund is used to account for funds used to provide multifaceted systems of support services for family caregivers and for grandparents or older individuals who are relative caregivers, including in-home respite and respite care. In-home respite provides personal care in the home of the qualifying individual in order to provide a brief period of relief or rest for the client. Respite care provides temporary or periodic services for frail elderly or individuals with developmental disabilities including Adult Day Care/Adult Day Health, Group Respite, In-Home Respite, and Institutional Respite.

Senior Center Fund

The Senior Center fund is used to account for the administration of Senior Center Program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance, and encourage their dignity, and, encourage their involvement in and with the community. The Council operates one senior center in Vernon Parish, Louisiana.

N.S.I.P. Fund

The N.S.I.P. (National Services Incentive Program) Fund is used to account for the administration of Nutrition Program for the Elderly funds provided by the United States Department of Agriculture through

Vernon Council on Aging, Inc.

Notes to the Financial Statements (Continued)

the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program reimburses the service provider about forty cents for each congregate and home-delivered meal serviced to an eligible participant so that United States food and commodities may be purchased to supplement these programs. Net position of the N.S.I.P. Fund is restricted for the purposes stated above.

Title III-D Preventive Health Fund

The Title III-D Fund is used to account for funds used for disease prevention and health promotion activities or services, such as: (1) equipment and materials (scales to weigh people, educational material, and exercise equipment), (2) home injury control, (3) medication management, (4) mental health, and (5) nutrition (assessment/screening, counseling, and education). The law directs the state agency administering this program to "give priority to areas of the state which are medically underserved and in which there are a large number of older individuals who have the greatest economic and social need."

Supplemental Senior Center Fund

The Louisiana Legislature appropriated additional money for various councils on aging through the state to be used to supplement the primary state grant for senior centers. Vernon Council on Aging, Inc. was one of the parish councils to receive a supplemental grant. These funds are "passed through" the Governor's Office of Elderly Affairs.

Title III-C Area Agency Administration (AAA) Fund

The Title III-C Area Agency Administration Fund is used to account for some of the administration cost associated with operating the Special Programs for the Aging.

F. Measurement Focus and Basis of Accounting

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

1. Accrual Basis – Government-Wide Financial Statements (GWFS)

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

2. Modified Accrual Basis – Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Council considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

Notes to the Financial Statements (Continued)

G. Interfund Activity

Interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. All other interfund transactions are treated as transfers. Transfers represent a permanent reallocation of resources between funds. Transfers between funds are netted against one another as part of the reconciliation of the change in fund balances in the fund financial statements to the change in net position in the Government-Wide Financial Statements.

H. Cash and Cash Equivalents

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

I. Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased or acquired with an original cost of at least \$5,000 and that have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Position. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation.

For capital assets recorded in the Government-Wide Financial Statements, depreciation is computed and recorded using the straight-line method for the asset's estimated useful life. The estimated useful lives of the various classes of depreciable capital assets are as follows:

Building Improvements	20-40 years
Equipment	5-15 years
Vehicles	5 years
Computers	5 years

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

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

J. Vacation/Sick Leave

1. Annual leave shall be granted under the following schedules:
 - a. Full-time employees, (more than thirty hours per week) will receive four (4) hours of annual leave per every pay period of two (2) weeks duration, which amounts to one hundred four (104) hours annually which may be brought forward from one year to the next, but may not exceed two hundred forty (240) hours of accrued annual leave.
 - b. After three (3) years of continuous employment the rate of annual leave will be increased to six (6) hours of annual leave per each of twenty-six (26) pay periods annually, representing one hundred fifty six hours annually after three (3) years of uninterrupted employment with the Council.

Vernon Council on Aging, Inc.

Notes to the Financial Statements (Continued)

- c. After ten (10) years of uninterrupted employment with the Council an employee is entitled to eight (8) hours of annual leave per each of twenty-six (26) pay periods which amounts to two hundred eight (208) hours of annual leave per year.
 - d. No employee is allowed more than two hundred forty (240) hours of annual leave to accrue at any one time, and annual leave is only given for continuous employment. No annual leave will be accrued during probationary employment or for part-time employment, or for substitute drivers. At the request of the employee or at the discretion of the Executive Director of the Council annual leave may be donated from one employee to another in extreme cases of duress or need, but will be done in writing on a Council form for request for said donation.
 - e. Annual leave is an employee benefit for the employee's personal use and should be requested within four (4) to two (2) weeks of its intended use in writing by the employee wanting to use annual leave. The Council encourages its employees to utilize their annual leave and to use at least one (1) or two (2) weeks of annual leave per year if they have it accrued. Every effort will be made to afford each employee an opportunity to use annual leave with consideration for their own wishes and needs, provided the mission of the Council does not suffer unduly. Whenever possible the employee will be granted annual leave to observe established Holy Days of their religious preference. However, annual does not accrue during a "leave without pay" status. Any annual leave in excess of two hundred forty (240) hours will be lost after July 1st of each year.
2. Sick Leave will be granted to all full-time employees at the rate of sixty-four (64) hours per year for continuous service. Part-time employees, probationary employees, or substitute drivers will not be afforded sick leave. There will be no annual increase in the amount of sick leave awarded to full-time employees. Sick leave will not be paid for upon termination of employee's time with Council, but a full-time employee can donate sick leave to another employee under circumstances of severe illness of employee. This donation is at the discretion of the Council Executive Director and the employee donating the sick leave which will be documented on a special Council form which designates to whom the sick leave is being donated.

Sick leave is a benefit which an employee may utilize when the employee's absence is necessary due to illness. Also, sick leave may be used in the pursuit of a medical or dental appointment or that of a child, a spouse, or the employee's immediate family as long as this privilege is not abused. Request for continuous sick leave in excess of three (3) days must be supported by a physician's statement. No compensation for unused sick leave will be afforded an employee upon separation or termination.

K. Allocation of Indirect Expenses

The Council reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are recorded as direct expenses of the Administration function. GOEA provides funds to partially subsidize the Council's Administration function. The unsubsidized net cost of the Administration function is allocated using a formula that is based primarily on the relationship the direct cost a program bears to the direct cost of all programs. There are some programs that cannot absorb any indirect cost allocation according to their grant or contract limitations.

L. Management's Use of Estimates

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

M. Elimination and Reclassifications

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

N. Fund Balances

Restricted Amounts that are restricted to specific purposes should be reported as restricted fund balance. Fund balance should be reported when constraints placed on the use of resources are either:

- a. externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- b. imposed by law through constitutional provisions or enabling legislation.

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

O. Budgetary Reporting

The budget information presented in the section of required supplementary information applies to “major” governmental funds for which annual budgets were adopted. Budgetary information for “Non-major” funds has not been included anywhere in these financial statements.

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

- GOEA notifies the Council each year as to the funding levels for each of its programs.
- Management makes revenue projections based on grants from the Vernon Council on Aging, Inc., other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- Management develops expenditure projections using historical information and changes to the upcoming year that management is aware of at the time of budget preparation.
- Once the information has been obtained to project revenues and expenditures, the Council’s Executive Director and Finance Administrator prepare a proposed budget based on the projections. The proposed budget is submitted to the Board of Directors for final approval.
- The Board of Directors reviews and adopts the budget for the next fiscal year at a regularly scheduled board of directors meeting before May 31 of the current fiscal year.
- The adopted budget is forwarded to the Governor’s Office of Elderly Affairs (GOEA) for compliance approval.
- Unbudgeted amounts lapse at the end of each fiscal year (June 30). However, if a grant or contract is not completed by June 30, the Council will automatically budget funds in the next fiscal year to

Vernon Council on Aging, Inc.

Notes to the Financial Statements (Continued)

complete the grant or contract. An example where this might occur is when vehicles are acquired under federal matching programs. The “match” might be made in one year and the vehicles delivered in another year.

- The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying financial statements included the original adopted budget amounts and all subsequent amendments.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The Council may transfer funds between line items as often as required but must obtain compliance approval from the Governor’s Office of Elderly Affairs for funds received under grants from this state agency. As part of its grant awards, GOEA requires the Council to amend its budget in cases where actual costs for a particular line item exceed the budgeted amount by more than 10%, unless unrestricted funds are available to “cover” the overrun.
- Expenditures cannot exceed budgeted revenues on an individual fund level, unless a large enough fund balance exists to absorb the budgeted operating deficit.
- The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some General Fund activities are not budgeted, particularly if they are deemed to be immaterial by management.

EXCESS OF EXPENDITURES OVER APPROPRIATIONS The following individual fund had actual expenditures over budgeted appropriations for the year ended June 30, 2021.

Fund	Original Budget	Final Budget	Actual	Unfavorable Variance
General Fund	\$ 319,500	\$ 399,933	\$ 405,225	\$ 5,292

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of Vernon Council on Aging, Inc., which are either unusual in nature or infrequent in occurrence. Subsequent events have been evaluated through December 7, 2021, the date that the financial statements were available to be issued.

2. REVENUE RECOGNITION

Revenues are recorded in the Government-Wide Statements when they are earned under the accrual basis of accounting.

Revenues are recorded in the Fund Financial Statements using the modified accrual basis of accounting. In applying the susceptible to accrual concept using this program service fees, and interest income are usually both measurable and available. However, the timing and amounts of the receipts of public support and miscellaneous revenues are often difficult to measure; therefore, they are recorded as revenue in the period received.

Vernon Council on Aging, Inc.

Notes to the Financial Statements (Continued)

3. CASH AND CASH EQUIVALENTS

At June 30, 2021, the Council had cash and cash equivalents (book balances) totaling \$415,646 as follows:

NOW account	<u>\$ 415,646</u>
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The cash and cash equivalents of the Vernon Council on Aging, Inc. are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the entity will not be able to recover its deposits.

At June 30, 2021, the entity has \$430,519 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance. The remaining balance of \$180,519 is unsecured and subject to custodial credit risk.

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2021, for the Council is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not being depreciated				
Land	\$ 55,000	\$ -	\$ -	\$ 55,000
Capital assets being depreciated				
Buildings	\$ 185,851	\$ -	\$ -	\$ 185,851
Improvements	33,180	-	-	33,180
Machinery and equipment	55,200	17,200	-	72,400
Furniture and fixtures	3,000	-	-	3,000
Vehicles	300,966	66,765	-	367,731
Total capital assets being depreciated	<u>\$ 578,197</u>	<u>\$ 83,965</u>	<u>\$ -</u>	<u>\$ 662,162</u>
Less accumulated depreciation for:				
Buildings	\$ 140,671	\$ 4,646	\$ -	\$ 145,317
Improvements	10,869	2,595	-	13,464
Machinery and equipment	50,485	1,051	-	51,536
Furniture and fixtures	3,000	-	-	3,000
Vehicles	167,848	47,893	-	215,741
Total accumulated depreciation	<u>\$ 372,873</u>	<u>\$ 56,185</u>	<u>\$ -</u>	<u>\$ 429,058</u>
Total capital assets being depreciated, net	<u>\$ 205,324</u>	<u>\$ 27,780</u>	<u>\$ -</u>	<u>\$ 233,104</u>

Depreciation expense of \$56,185 for the year ended June 30, 2021, was charged to the following governmental functions:

Title III B	\$ 47,893
General administration	8,292
Total	<u>\$ 56,185</u>

5. BOARD OF DIRECTORS' COMPENSATION

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

6. INCOME TAX STATUS

The Council, a non-profit corporation, is exempt from federal income taxation under Section 501 (c) (3) of the Internal Revenue Code of 1986 and is an organization that is not a private foundation as defined in Section 509 (a) of the Code. It is also exempt from Louisiana income tax.

7. JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

There is no litigation pending against the Council at June 30, 2021. Furthermore, the Council's management believed that any potential lawsuits would be adequately covered by insurance.

8. FEDERAL AWARDS PROGRAMS

The Council receives revenues from various federal and state grant programs, which are subject to final review and approval as to allowability of expenditures by respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period agreed upon by the agency and the Council. Also, it is management's opinion that any audits or reviews by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the Council's financial position.

9. ECONOMIC DEPENDENCY

The Council receives the majority of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the next year.

Vernon Council on Aging, Inc.

Notes to the Financial Statements (Continued)

10. INTERFUND TRANSFERS

Operating transfers in and out are listed by fund for the fiscal year ended June 30, 2021:

	Funds Transferred To						Total
	Title III B	Title III C-1	Title III C-2	Title III D	Title III E	Senior Center	
<u>Transfer From</u>							
General Fund	\$ -	\$ -	\$ 228,891	\$ -	\$ -	\$ -	\$ 228,891
Special Revenue Funds:							
Major Fund:							
Title III C1	\$ -	\$ -	\$ 17,058	\$ -	\$ -	\$ -	\$ 17,058
Title III C2	74,021	-	19,530	-	-	18,045	111,596
Title III B	-	-	-	-	-	29,498	29,498
Non-Major Funds:							
NSIP	-	-	32,681	-	-	-	32,681
Senior Center	-	-	-	-	-	-	-
Supplemental Senior Center	7,812	-	-	-	-	3,100	10,912
Title III E	-	-	20,978	-	-	-	20,978
Title III D	-	-	5,908	-	-	-	5,908
Total Special Revenue Funds	\$ 81,833	\$ -	\$ 96,155	\$ -	\$ -	\$ 50,643	\$ 228,631
Total all funds	\$ 81,833	\$ -	\$ 325,046	\$ -	\$ -	\$ 50,643	\$ 457,522

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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

11. RETIREMENT COMMITMENTS

Employees of the Council are participants in the social security system and retirement benefits are provided by that system.

12. RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the year that exceeded the Council's insurance coverage.

Vernon Council on Aging, Inc.

Notes to the Financial Statements (Concluded)

13. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 2021.

	<u>Compensated Absences</u>
Long-term obligations at beginning of year	\$ 21,161
Additions	6,645
Compensated absences used	<u>(5,774)</u>
Long-term obligations at end of year	<u>\$ 22,032</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2021.

	<u>Compensated Absences</u>
Current portion	\$ -
Long-term portion	<u>22,032</u>
Total	<u>\$ 22,032</u>

14. RECEIVABLES

The receivables of \$77,764 at June 30, 2021 are as follows:

<u>Class of receivable</u>	
Intergovernmental - grants	
Hotel/motel tax	\$ 8,003
Accounts	10,005
DOTD Section 18	59,050
Police Jury millage	706
Total	<u>\$ 77,764</u>

15. PAYABLES

The payables of \$42,733 at June 30, 2021 are as follows:

<u>Class of payable</u>	
Payroll taxes payable	\$ 8,879
Accounts payable	33,854
Total	<u>\$ 42,733</u>

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amount	Budget to Actual differences over (under)
	Original	Final		
REVENUES				
PCOA revenue	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
DOTD Section 18 Transportation	210,000	368,000	368,000	-
DOTD Federal Transit Grant	56,750	56,750	56,750	-
Medicaid Transportation	70,000	147,674	147,674	-
Vernon Parish Police Jury	140,000	153,372	153,372	-
State revenue sharing	10,000	11,449	11,449	-
Taxes				
Hotel/motel taxes	50,000	47,960	47,960	-
Participant contributions	20,000	18,433	18,433	-
Expenditure reimbursements	-	196	196	-
Local donations	10,000	9,912	9,912	-
Other donations	1,000	805	805	-
Interest income	100	272	272	-
Commissions	9,000	9,381	9,381	-
Miscellaneous	500	-	-	-
Total revenues	<u>\$ 677,350</u>	<u>\$ 924,204</u>	<u>\$ 924,204</u>	<u>\$ -</u>
EXPENDITURES				
Program services:				
Health, Welfare and Social Services				
Salaries and benefits	\$ 245,000	\$ 230,653	\$ 227,736	\$ 2,917
Travel	500	162	500	(338)
Operating services	65,000	53,920	50,627	3,293
Operating supplies	9,000	31,233	42,397	(11,164)
Capital outlay	-	83,965	83,965	-
Total expenditures	<u>\$ 319,500</u>	<u>\$ 399,933</u>	<u>\$ 405,225</u>	<u>\$ (5,292)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 357,850</u>	<u>\$ 524,271</u>	<u>\$ 518,979</u>	<u>\$ (5,292)</u>
Other financing sources (uses)				
Transfers out	<u>\$ 357,850</u>	<u>\$ 228,891</u>	<u>\$ 228,891</u>	<u>\$ -</u>
Total other financing sources (uses)	<u>\$ 357,850</u>	<u>\$ 228,891</u>	<u>\$ 228,891</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ 295,380	\$ 290,088	\$ (5,292)
Fund balances, beginning of year	<u>165,000</u>	<u>160,589</u>	<u>160,589</u>	<u>-</u>
Fund balances, end of year	<u>\$ 165,000</u>	<u>\$ 455,969</u>	<u>\$ 450,677</u>	<u>\$ (5,292)</u>

Title III C-1 Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amount	Budget to Actual differences over (under)
	Original	Final		
REVENUES				
GOEA support	\$ 85,565	\$ 85,565	\$ 85,565	\$ -
In-kind support	320,900	-	-	-
Total revenues	<u>\$ 406,465</u>	<u>\$ 85,565</u>	<u>\$ 85,565</u>	<u>\$ -</u>
EXPENDITURES				
Program services:				
Health, Welfare and Social services				
Salaries and benefits	\$ 21,854	\$ 20,967	\$ 20,967	\$ -
Travel	34	14	14	-
Operating services	12,757	8,512	8,512	-
In-kind operating services	320,900	-	-	-
Operating supplies	52,756	39,014	39,014	-
Total expenditures	<u>\$ 408,301</u>	<u>\$ 68,507</u>	<u>\$ 68,507</u>	<u>\$ -</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,836)</u>	<u>\$ 17,058</u>	<u>\$ 17,058</u>	<u>\$ -</u>
Other financing sources (uses)				
Transfers in	\$ 1,836	\$ -	\$ -	\$ -
Transfers out	-	(17,058)	(17,058)	-
Total other financing sources (uses)	<u>\$ 1,836</u>	<u>\$ (17,058)</u>	<u>\$ (17,058)</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Title III C-2 Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the Year Ended June 30, 2021

REVENUES	Budgeted Amounts		Actual Amount	Budget to Actual differences over (under)
	Original	Final		
GOEA support	\$ 66,704	\$ 178,300	\$ 178,300	\$ -
Participant contributions	13,000	-	-	-
In-kind support	17,900	17,900	17,900	-
Total revenues	<u>\$ 97,604</u>	<u>\$ 196,200</u>	<u>\$ 196,200</u>	<u>\$ -</u>
EXPENDITURES				
Program services:				
Health, Welfare and Social services				
Salaries and benefits	\$ 97,605	\$ 75,392	\$ 75,392	\$ -
Travel	34	29	29	-
Operating services	51,943	50,717	50,717	-
In-kind services	17,900	17,900	17,900	-
Operating supplies	223,764	265,612	265,612	-
Total expenditures	<u>\$ 391,246</u>	<u>\$ 409,650</u>	<u>\$ 409,650</u>	<u>\$ -</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (293,642)</u>	<u>\$ (213,450)</u>	<u>\$ (213,450)</u>	<u>\$ -</u>
Other financing sources (uses)				
Transfers in	\$ 293,642	\$ 325,046	\$ 325,046	\$ -
Transfers out	-	(111,596)	(111,596)	-
Total other financing sources (uses)	<u>\$ 293,642</u>	<u>\$ 213,450</u>	<u>\$ 213,450</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Title III B Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amount	Budget to Actual differences over (under)
	Original	Final		
REVENUES				
GOEA support	\$ 93,094	\$ 122,592	\$ 122,592	\$ -
Participant contributions	120	-	-	-
Total revenues	<u>\$ 93,214</u>	<u>\$ 122,592</u>	<u>\$ 122,592</u>	<u>\$ -</u>
EXPENDITURES				
Program services:				
Health, Welfare and Social services				
Salaries and benefits	\$ 111,998	\$ 137,050	\$ 137,050	\$ -
Travel	424	43	43	-
Operating services	27,208	28,745	28,745	-
Operating supplies	5,051	9,089	9,089	-
Total expenditures	<u>\$ 144,681</u>	<u>\$ 174,927</u>	<u>\$ 174,927</u>	<u>\$ -</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (51,467)</u>	<u>\$ (52,335)</u>	<u>\$ (52,335)</u>	<u>\$ -</u>
Other financing sources (uses)				
Transfers in	\$ 51,467	\$ 81,833	\$ 81,833	\$ -
Transfers out	-	(29,498)	(29,498)	-
Total other financing sources (uses)	<u>\$ 51,467</u>	<u>\$ 52,335</u>	<u>\$ 52,335</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUPPLEMENTARY INFORMATION REQUIRED BY GOEA

Schedule of Non-Major Special Revenues Funds
 Combining Statement of Revenues and Expenditures
 For the Year Ended June 30, 2021

	Title III D Fund	AAA Fund	Senior Center	Senior Center Supplemental	NSIP Fund	Title III E Fund	Total
REVENUES							
Intergovernmental							
Governor's Office of Elderly Affairs	\$ 5,908	\$ 34,559	\$ 46,264	\$ 10,912	\$ -	\$ 56,966	\$ 154,609
Nutrition Services Incentive Program	-	-	-	-	32,681	-	32,681
Total revenues	<u>\$ 5,908</u>	<u>\$ 34,559</u>	<u>\$ 46,264</u>	<u>\$ 10,912</u>	<u>\$ 32,681</u>	<u>\$ 56,966</u>	<u>\$ 187,290</u>
EXPENDITURES							
Health and Welfare and Social Services							
Salaries and benefits	\$ -	\$ 17,178	\$ 24,189	\$ -	\$ -	\$ 16,121	\$ 57,488
Travel	-	6	3	-	-	1	10
Operating services	-	13,478	29,981	-	-	19,227	62,686
Operating supplies	-	3,897	42,734	-	-	639	47,270
Total expenditures	<u>\$ -</u>	<u>\$ 34,559</u>	<u>\$ 96,907</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,988</u>	<u>\$ 167,454</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 5,908</u>	<u>\$ -</u>	<u>\$ (50,643)</u>	<u>\$ 10,912</u>	<u>\$ 32,681</u>	<u>\$ 20,978</u>	<u>\$ 19,836</u>
Other financing sources (uses)							
Transfers in	\$ -	\$ -	\$ 50,643	\$ -	\$ -	\$ -	\$ 50,643
Transfers out	(5,908)	-	-	(10,912)	(32,681)	(20,978)	(70,479)
Total other financing sources (uses)	<u>\$ (5,908)</u>	<u>\$ -</u>	<u>\$ 50,643</u>	<u>\$ (10,912)</u>	<u>\$ (32,681)</u>	<u>\$ (20,978)</u>	<u>\$ (19,836)</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances at beginning of year	-	-	-	-	-	-	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Comparative Schedule of General Fixed Assets
and Changes in General Fixed Assets
For the Year Ended June 30, 2021

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
General Fixed Assets				
Land	\$ 55,000	\$ -	\$ -	\$ 55,000
Buildings	185,851	-	-	185,851
Improvements	33,180	-	-	33,180
Machinery and equipment	55,200	17,200	-	72,400
Furniture and fixtures	3,000	-	-	3,000
Vehicles	<u>300,966</u>	<u>66,765</u>	<u>-</u>	<u>367,731</u>
Total capital assets being depreciated	<u>\$ 633,197</u>	<u>\$ 83,965</u>	<u>\$ -</u>	<u>\$ 717,162</u>
Invested in General Fixed Assets				
Property acquired with funds from				
Title III C-1	\$ 5,000	\$ -	\$ -	\$ 5,000
Title III C-2	5,000	-	-	5,000
Local Funds	<u>623,197</u>	<u>83,965</u>	<u>-</u>	<u>707,162</u>
Total Invested in General Fixed Assets	<u>\$ 633,197</u>	<u>\$ 83,965</u>	<u>\$ -</u>	<u>\$ 717,162</u>

OTHER SUPPLEMENTAL SCHEDULES

Schedule of Compensation, Benefits and
Other Payments to Agency Head
For the Year Ended June 30, 2021

Agency Head Name - Marvis Chance

Purpose	Amount
Salary	\$ 83,435
Benefits - insurance	-
Benefits - retirement	-
Deferred compensation	-
Benefits - other (AL & SL)	-
Car allowance	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-

OTHER REPORTS

Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2021

Finding – Financial Statement Audit

Audit Finding No. 2020-1

Payroll tax deposit penalties

Condition: On several occasions Federal payroll tax deposits were paid late creating unnecessary penalties and interest.

Criteria: Internal Revenue Service regulations have specific dates that Federal payroll tax deposits are due by depending on the size of the payroll per pay period.

Cause and Condition: The Council utilizes the service of a third party to handle their payroll and make the Federal payroll tax deposits timely. On these occasions the Federal payroll tax deposits were not made by the due date.

Effect of Condition: Violation of Federal payroll tax deposit regulations.

Recommendation: We recommend that the executive director communicate the importance of making Federal payroll tax deposits timely to the third party handling payroll and monitor the timely payment of these taxes in the future.

Date of Initial Occurrence - June 30, 2020

Corrective Action Taken - Yes

Schedule of Current Year Audit Findings and Management's Response
For the Year Ended June 30, 2021

Finding – Financial Statement Audit

Audit Finding No. 2021-1

Ethics Requirement not met

Condition: Not all of the employees or board members of the Council met the one hour requirement training on the Code of Governmental Ethics.

Criteria: As of January 1, 2012 all public employees are required by R.S. 42:1170 to complete one hour per year training on the Code of Governmental Ethics.

Cause and Condition: Due to Covid-19 and the Council being shut down much of the year, the requirement for the ethics training was just overlooked.

Effect of Condition: Violation of R.S. 42:1170.

Recommendation: We recommend that all employees and board members of the Council take the required one hour ethics training each year and that the director monitor the employees and board members compliance.

VERNON COUNCIL ON AGING, INC.
200 N. Third St., Leesville, LA 71446

Marvis L. Chance, Executive Director
337/239-4361 fax 337/239-0186

"Improving the quality of life for the seniors of Vernon Parish"

Dec.16, 2021

Michael J. Waguespack, CPA
Louisiana Legislative Auditor
1600 North Third Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: Response to audit findings:

2021-1 Ethics requirement not met

Response: As of the date of this response all employees have gone through the ethics training. Time will be set aside at the end of each calendar year for the annual ethics training.

Sincerely,



Torry Grose,
Deputy Director

Windham & Reed, L.L.C.

Certified Public Accountants

1620 North Pine Street
DeRidder, LA 70634
Tel: (337) 462-3211
Fax: (337) 462-0640

John A. Windham, CPA
Charles M. Reed, Jr., CPA

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
Vernon Council on Aging, Inc.
Leesville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vernon Council on Aging, Inc. (a nonprofit organization) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Vernon Council on Aging, Inc.'s basic financial statements, and have issued our report thereon dated December 7, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Vernon Council on Aging, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Vernon Council on Aging, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Vernon 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 the 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 Vernon 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 instances of noncompliance or other

Board of Directors
Vernon Council on Aging, Inc.


matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of current year audit findings and management’s response as Audit Finding No. 2021-1.

Vernon Council on Aging, Inc.’s Response to Findings

Vernon Council on Aging, Inc.’s response to the findings identified in our audit is described in the accompanying schedule of current year audit findings and management’s response. Vernon Council on Aging, Inc.’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



DeRidder, Louisiana
December 7, 2021