

**VERMILION COUNCIL ON AGING, INC.**

Abbeville, Louisiana

Financial Report

Year Ended June 30, 2023

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OTHER LOCATIONS:

Eunice    Morgan City    Abbeville

## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Vermilion Council on Aging, Inc.  
Abbeville, Louisiana

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vermilion Council on Aging, Inc., as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Vermilion Council on Aging, Inc., as of June 30, 2023, 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.

#### 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 the Vermilion 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 the Vermilion Council on Aging, Inc.'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **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 Vermilion 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 the Vermilion 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.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 32 through 38 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 Vermilion Council on Aging, Inc.’s basic financial statements. The schedule of nonmajor funds and comparative schedule of general fixed assets on pages 40 through 41 are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The 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 information is 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 October 30, 2023, on our consideration of the Vermilion Council on Aging, Inc.’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Vermilion Council on Aging, Inc.’s internal control over financial reporting and compliance.

***Darnall, Sikes & Frederick***

A Corporation of Certified Public Accountants

Lafayette, Louisiana

October 30, 2023

**GOVERNMENT WIDE FINANCIAL STATEMENTS**

VERMILION COUNCIL ON AGING, INC.

Government Wide Statement of Net Position  
June 30, 2023

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash	\$ 63,867
Grants and contracts receivable	43,746
Capital assets, net of accumulated depreciation	<u>57,937</u>
Total Assets	<u>165,550</u>
<b>Liabilities</b>	
Accounts payable	8,144
Payroll taxes payable	9,566
Accrued compensated absences	<u>911</u>
Total Liabilities	<u>18,621</u>
<b>Net Position</b>	
Invested in Capital Assets, net of debt	57,937
Restricted for:	
Utility assistance	20,481
Title III B	19,165
Title III C-1	10,386
FEMA	1,437
Unrestricted	<u>37,523</u>
Total Net Position	<u>\$ 146,929</u>

The accompanying notes are an integral part of this statement.

VERMILION COUNCIL ON AGING, INC.

Government Wide Statement of Activities  
Year Ended June 30, 2023

<b>Function/Programs</b>	Direct Expenses	Indirect Expenses
<b>Governmental Activities</b>		
<b>Health, Welfare &amp; Social Services:</b>		
Supportive Services:		
Homemaker	\$ 63,089	\$ 20,666
Information and assistance	22,827	7,478
Outreach	1,415	464
Telephoning	4,349	1,425
Nutrition Services:		
Congregate Meals	79,776	25,471
Home delivered meals	108,258	35,436
Utility Assistance	2,194	-
National family caregiver support	45,766	14,450
Vaccine Outreach	524	-
Multipurpose senior centers	137	44
<b>Administration</b>	114,105	(105,434)
Total governmental activities	\$ 442,440	\$ -

Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Increases (Decreases) in Net Position Total Governmental Activities
\$ 1,212	\$ 48,618	\$ -	\$ (33,925)
-	18,030	-	(12,275)
-	1,118	-	(761)
-	3,435	-	(2,339)
5,960	43,908	-	(55,379)
15,950	33,205	-	(94,539)
-	-	-	(2,194)
-	26,043	-	(34,173)
-	-	-	(524)
-	99,996	-	99,815
-	8,671	-	-
<u>\$ 23,122</u>	<u>\$ 283,024</u>	<u>\$ -</u>	<u>\$ (136,294)</u>

General Revenues:

Grants and contributions not restricted to specific programs	103,607
Miscellaneous	1,417
Total general revenues and special items	<u>105,024</u>
Decrease in net position	(31,270)
Net position - beginning of the year	<u>178,199</u>
Net position - end of the year	<u>\$ 146,929</u>

The accompanying notes are an integral part of this statement.

**FUND FINANCIAL STATEMENTS**

VERMILION COUNCIL ON AGING, INC.

Balance Sheet  
Governmental Funds  
June 30, 2023

	General Fund	Title III B	Title III C-1	Title III C-2	Title III E	Non-Major Funds	Total
<b>Assets</b>							
Cash	\$ 49,926	\$ -	\$ -	\$ -	\$ -	\$ 13,941	\$ 63,867
Due from other funds	-	-	-	-	-	7,977	7,977
Grants and contracts receivable	<u>43,746</u>	-	-	-	-	-	<u>43,746</u>
Total Assets	<u><u>93,672</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>21,918</u></u>	<u><u>115,590</u></u>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities:</b>							
Due to other funds	7,977	-	-	-	-	-	7,977
Accounts payable	8,144	-	-	-	-	-	8,144
Payroll and taxes payable	<u>9,566</u>	-	-	-	-	-	<u>9,566</u>
Total Liabilities	<u><u>25,687</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>25,687</u></u>
<b>Fund Balances:</b>							
Restricted for:							
Utility assistance	-	-	-	-	-	20,481	20,481
Title III B	19,165	-	-	-	-	-	19,165
Title III C-1	10,386	-	-	-	-	-	10,386
FEMA	-	-	-	-	-	1,437	1,437
Unassigned	<u>38,434</u>	-	-	-	-	-	<u>38,434</u>
Total Fund Balances	<u><u>67,985</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>21,918</u></u>	<u><u>89,903</u></u>
 Total Liabilities and Fund Balances	 <u><u>\$ 93,672</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 21,918</u></u>	

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

- Compensated absences accrued are not paid for out of current financial resources and therefore are not reported in the funds	(911)
- Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	<u>57,937</u>
Net position of governmental activities	<u><u>\$ 146,929</u></u>

The accompanying notes are an integral part of this statement.

VERMILION COUNCIL ON AGING, INC.

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 Year Ended June 30, 2023

	General Fund	Title III B	Title III C-1	Title III C-2	Title III E	Non-Major Funds	Total Governmental Funds
<b>REVENUES</b>							
Intergovernmental:							
Governor's Office of Elderly Affairs	\$ 210,909	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210,909
Cajun Area Agency on Aging, Inc.	-	71,201	43,908	33,205	26,043	-	174,357
Program Service Fees:							
Homemaker	-	1,212	-	-	-	-	1,212
Home delivered meals	-	-	-	15,950	-	-	15,950
Congregate meals	-	-	1,588	-	-	-	1,588
Caregivers	-	-	-	-	-	-	-
Local and miscellaneous:							
Donations	1,365	-	-	-	-	-	1,365
Miscellaneous	1,417	-	4,372	-	-	-	5,789
Total Revenues	<u>213,691</u>	<u>72,413</u>	<u>49,868</u>	<u>49,155</u>	<u>26,043</u>	<u>-</u>	<u>411,170</u>
<b>EXPENDITURES</b>							
Health, Welfare, & Social Services							
Current:							
Personnel	-	68,937	61,295	43,997	27,547	-	201,776
Fringe	-	5,581	3,760	6,818	123	-	16,282
Travel	-	8,263	5,318	51,672	8,109	-	73,362
Operating Services	38	31,762	23,945	2,588	20,752	475	79,560
Operating Supplies	143	7,165	9,580	1,680	3,685	49	22,302
Other Costs	-	5	1,349	36,939	-	2,194	40,487
Total Expenditures	<u>181</u>	<u>121,713</u>	<u>105,247</u>	<u>143,694</u>	<u>60,216</u>	<u>2,718</u>	<u>433,769</u>
Excess (deficiency) of revenues over expenditures	<u>213,510</u>	<u>(49,300)</u>	<u>(55,379)</u>	<u>(94,539)</u>	<u>(34,173)</u>	<u>(2,718)</u>	<u>(22,599)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	10,386	49,300	65,765	94,539	34,173	524	254,687
Transfers out	(244,301)	-	(10,386)	-	-	-	(254,687)
Total other financing sources (uses)	<u>(233,915)</u>	<u>49,300</u>	<u>55,379</u>	<u>94,539</u>	<u>34,173</u>	<u>524</u>	<u>-</u>
Net decrease in fund balances	(20,405)	-	-	-	-	(2,194)	(22,599)
<b>FUND BALANCES</b>							
Beginning of the year	<u>88,390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,112</u>	<u>112,502</u>
End of the year	<u>\$ 67,985</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,918</u>	<u>\$ 89,903</u>

The accompanying notes are an integral part of this statement.

VERMILION COUNCIL ON AGING, INC.

Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended June 30, 2023

Net decrease in fund balances - total governmental funds	\$ (22,599)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$9,722) exceeds capital outlay (\$0) in the period.</p>	(9,722)
<p>Governmental funds report compensated absences as expenditures only when paid and therefore the amount earned in excess of the amount paid do not require the use of current financial resources and is not reported as an expenditure in government funds.</p>	<u>1,051</u>
Decrease in net position of governmental activities	<u>\$ (31,270)</u>

The accompanying notes are an integral part of this statement.

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Purpose of the Council on Aging

The purpose of the Council is to collect facts and statistics and make special studies of conditions pertaining to the employment, financial status, recreation, social adjustment, mental and physical health or other conditions affecting the welfare of the aging people in Vermilion Parish; to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States; to interpret its findings to the citizens of the parish and state; to provide for a mutual exchange of ideas and information on the parish and state level; to conduct public meetings; to make recommendations for needed improvements and additional resources; to promote the welfare of aging people; to coordinate and monitor services of other local agencies serving the aging people of the parish; 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 Vermilion Parish include providing congregate and home delivered meals, nutritional education, information and assistance, outreach, material aid, home repairs, utility assistance, homemakers, recreation, legal assistance, disease prevention, health promotion, and transportation.

B. Reporting Entity

In 1964, the State of Louisiana passed Act 456 authorizing the charter of a voluntary council on aging for the welfare of the aging people in each parish of Louisiana. In 1979, the Louisiana Legislature created the Governor's Office of Elderly Affairs (GOEA) (La. R.S. 46:931) with the specific intention that GOEA administer and coordinate social services and programs for the elderly population of Louisiana through sixty-four parish voluntary councils on aging.

Before a council on aging can begin operations in a specific parish, its application for a charter must receive approval from GOEA pursuant to Louisiana Revised Statute (LA R.S.) 46:1602. Each council on aging in Louisiana must comply with the state laws that apply to quasi-public agencies, as well as the policies and regulations established by GOEA.

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Vermilion Council on Aging, Inc. is a legally separate, non-profit, quasi-public corporation. The Council incorporated under the provisions of Title 12, Chapter 2 of the Louisiana Revised Statutes on May 19, 1975 and subsequently received its charter from the Governor of the State of Louisiana.

A board of directors, consisting of 11 voluntary members, who serve three-year terms, governs the Council. The board of directors is comprised of, but not limited to, representatives of the Parish's elderly population, general public, private businesses, and elected public officials. Board members are elected in the following manner:

- All members from throughout Vermilion Parish shall be elected by the general membership at the Council's annual meeting.

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

Based on the criteria set forth in GASB Statement 14, *The Financial Reporting Entity*, the Council is not a component unit of another primary government, nor does it have any component units that are related to it. In addition, based on the criteria set forth in this statement, the Council has presented its financial statements as a special-purpose, stand-alone government; accordingly, it is applying the provisions of Statement 14 as if it were a primary government.

C. Presentation of Statements

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

Both the government-wide and fund financial statements categorize primary activities as either "governmental" or "business" type. The Council's functions and programs have all been categorized as "governmental" activities. The Council does not have any business-type activities, fiduciary funds, or any component units that are fiduciary in nature. Accordingly, the government-wide financial statements do not include any of these activities or funds.

D. Basic Financial Statements - Government-Wide Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the Council. As a general rule, the effect of interfund activity has been eliminated from these statements. The government-wide presentation focuses primarily on the sustainability of the Council as an entity and the change in its net position (financial position) resulting from the activities of the current fiscal year. Intergovernmental revenues primarily support governmental activities.

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the government-wide Statement of Net Position only one column of numbers has been presented for total governmental activities. The numbers are presented on a consolidated basis and represent only governmental type activities.

The Statement of Net Position has been prepared on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Council's functions and significant programs. Many functions and programs are supported by general government revenues like intergovernmental revenues, and unrestricted public support, 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 amortization, and then reduces the expenses by related program revenues, such as charges for services, operating and capital grants, and restricted contributions, to derive the net cost of each function or program. Program revenues must be directly associated with the function or program to be used to directly offset its cost. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

Direct expenses reported in the Statement of Activities are those that are clearly identifiable with a specific function or program, whereas, the Council allocates its indirect expenses among various functions and programs in accordance with OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*. The Statements of Activities shows this allocation in a separate column labeled "indirect expenses."

In the Statements of Activities, charges for services represent program revenues obtained by the Council when it renders services provided by a specific function or program to people or other entities. Unrestricted contributions, unrestricted grants, interest income and miscellaneous revenues that are not included among program revenues are reported instead as general revenues in the statement. Special items, if any, are significant transactions within the control of management that are either unusual in nature or infrequent in occurrence and are separately reported below general revenues. The Council did not have any material special items this year.

E. Basic Financial Statements - Fund Financial Statements

The fund financial statements present financial information very similar to that which was included in the general-purpose financial statements issued by governmental entities before GASB Statement No. 34 required the format change.

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The daily accounts and operations of the Council continue to be organized using funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

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

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

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

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

**Local Programs and Funding** are revenues that are not required to be accounted for in a specific program or fund. Accordingly, these revenues have been recorded in the local program of the General Fund. These funds are mostly unassigned, which means they may be used at management's discretion. Expenditures to acquire fixed assets, and expenditures for costs not allowed by another program due to budget limitations or the nature of the expenditures, are charged to the local program. Because of their unrestricted nature, local funds are often transferred to other programs to eliminate deficits in cases where the expenditures of the other programs exceeded their revenues. In addition, capital outlay expenditures are usually made with local funds to minimize restrictions on the used and disposition of fixed assets.

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**PCOA (Act 735)** funds are appropriated annually for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council's management may use these "Act 735" funds at its discretion to fund any of its programs provided the program is benefiting elderly people (those who are at least 60 years old). In fiscal year 2023, the Council received this grant money into its General Fund and management transferred all of its \$100,000 PCOA funds to the Title III Funds to help pay for the funds' program expenditures.

**Fundraisers** were held during the year by the Council's board of directors to raise more unrestricted revenue.

**Senior Center Fund and Supplemental Senior Center** funds are also appropriated annually for the Council and remitted to the Council via GOEA. These grant funds can be used at management's discretion to pay for costs of any program involving elderly persons who are at least 60 years old. To obtain supportive services and participate in activities which foster their independences, enhance their dignity, and encourage their involvement in and with the community, the elderly person will come to a "senior center." The senior center for Vermilion Parish is located in Abbeville. During the year, management transferred all Senior Center (\$99,997), all Supplemental Senior Center (\$3,100), and all Supplemental Senior Center #2 (\$7,812) grant funds to the Title III Funds to subsidize these programs' cost of providing supportive services to elderly persons who used the senior center.

**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 or capital projects. The term "*proceeds of specific revenue sources*" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. 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 are brief descriptions of the purpose of each special revenue and their classification as either a major or nonmajor governmental fund:

Major Special Revenue Funds

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

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

	<u>Units</u>
Homemaker	3,153
Information and assistance	583
Outreach	152
Telephoning	3,302

There were two main sources of revenues received this year that form the basis of this fund: Grants from GOEA via CAAA for Special Programs for the Aging Title III, Part B Supportive Services (\$71,201) and restricted, voluntary public support from persons who actually received homemaker (\$1,212) and transportation services under this program.

**Title III C-1 Fund** receives funding from United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This 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 ended June 30, 2023, the Council served about 10,173 congregate meals and also provided 704 units of nutritional education to eligible participants.

There were two main sources of revenue received this year that form the basis of this fund: Grants from GOEA via CAAA for Special Programs for the Aging Title III, Part C-2 Nutrition Services (\$43,908) and restricted, voluntary contributions from the public (\$5,960), including those persons actually receiving congregate meal services.

**The Title III C-2 Fund** is used to account for funds that are used to provide nutritional meals to homebound people who are age 60 or older. Using Title III C-2 funds, the Council served 59,155 meals during the year to people eligible to participate in this program.

There were two main sources of revenue received this year that form the basis of this fund: Grants from GOEA via CAAA for Special Programs for the Aging Title III, Part C-2 Nutrition Services (\$33,205) and restricted, voluntary contributions from the public (\$15,950), including those persons actually receiving home-delivered meal services.

**The Title III E Fund** is used to account for funds used to provide services, such as; (1) information to caregivers about available services, (2) assistance to caregivers in gaining access to the services, (3) individual counseling, (4) organizational support groups, (5) caregiver training to caregivers in making decisions and solving problems relating to their caregiving roles, (6) respite care to enable caregivers to be temporarily relieved from their caregiving responsibilities, and (7) supplemental services, on a limited basis, to complement the care provided by caregivers. During the fiscal year, 78 units of information and assistance, 642 units of in home respite, and 436 units of sitter service were provided under the Title III E program.

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA via CAAA for the Title III, Part E National Family Caregivers Support Program (\$26,043).

Non-Major Special Revenue Funds

**The FEMA Fund** is used to account for the administration of a Disaster Assistance Program which purpose is to supplement food and shelter assistance to individuals who might currently be receiving assistance, as well as to assist those who are not receiving any. Funds are provided by the Federal Emergency Management Agency through the United Way of Acadiana, which in turn “passes through” the funds to the Council.

**The Project Care Fund** is used to account for the administration of a program that is sponsored by Entergy. Entergy collects contributions from service customers and remits these funds to the Cajun Area Agency on Aging (CAAA). The CAAA in turn remits the funds to the parish councils on aging throughout the state to provide assistance to the elderly for the payment of their utility bills. No indirect or administrative expenses can be paid for with these funds.

**The Vaccine Outreach Fund** helps provide for the delivery of supportive services to older individuals for the purposes of connecting and enabling them to have access to the COVID 19 vaccine by provided credible information, assisting with scheduling vaccination appointments, identifying those in need of help getting to vaccination distributions sites, arranging accessible transportation to vaccination distribution sites and facilitating receipt of reminders for the additional vaccination appointments.

F. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Accrual Basis – Government-Wide Financial Statements (GWFS):

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Regardless of the time of related cash flows.

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Modified Accrual Basis – Fund Financial Statements (FFS):

Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. A current financial resources measurement focus means that only current assets and current liabilities are generally included on the fund balance sheet. The operating statements of the funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be "available" if they are collected within 60 days of the current fiscal year end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred, if measurable, except for the following: (1) unmatured principal and interest on long-term debt, if any, are recorded when due, and (2) claims, judgments, and compensated absences are recorded as expenditures when paid with expendable available financial resources. Depreciation and amortization are costs that are not recognized in the governmental funds.

G. Interfund Activity

In the fund financial statements, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate. Transfers represent a permanent reallocation of resources between funds. In other words, they are not expected to be repaid.

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

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. Receivables

The financial statements for the Council do not contain an allowance for uncollectible receivables because management believes all amounts will be collected. However, if management becomes aware of information that would change its assessment about the collectability of any receivable, management would write off the receivable as bad debt at that time.

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Prepaid Expenses/Expenditures

Prepaid expenses include amounts paid in advance for goods and services. Prepaid expenses are shown as either current or other assets on the government-wide Statement of Net Position, depending on when management expects to realize their benefits.

In the fund financial statements, management has elected not to include amounts paid for future goods and services as expenditures until those services are consumed. This method of accounting for prepaid expenditures helps assure management that costs incurred will be reported in accordance with the Council's cost reimbursement grants.

These types of grants do not permit the Council to obtain reimbursement for qualified expenditures until the goods and services relating to them are consumed. As a result, the prepaid expenditures are shown as an asset on the balance sheet of the fund financial statements until they are consumed. In addition, a corresponding amount of the fund balance of the General Fund has been classified as nonspendable to reflect the amount of fund balance not currently available for expenditure.

For purposes of presenting prepaid expenses in the government-wide statements, the Council will follow the same policy it uses to record prepaid expenditures in the fund financial statements with one exception. Disbursements made as "matching" payments to acquire vehicles that will be titled to another government are recorded as a prepaid expense and amortized in the Statement of Net Position to better present the economies of this type of transaction and to keep from distorting the Council's transportation expenses in the Statement of Activities. In contrast, 100% of the "matching" payments are reported in the fund financial statements as intergovernmental expenditures when the vehicles are received.

K. Capital Assets

The accounting and reporting treatment used for property, vehicles, and equipment (capital assets) depends on whether the capital assets are reported in the government-wide financial statements or the fund financial statements.

Government-Wide Financial Statements

Capital assets are long-lived assets purchased or acquired with an original cost of at least \$1,000 and have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the government-wide Statement of Net Position. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation. Capital assets will also include major repairs to equipment and vehicles that significantly extend the asset's useful life. Routine repairs and maintenance are expensed as incurred.

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Council follows a guideline issued by the State of Louisiana's Office of Statewide Reporting and Accounting to establish the useful lives of the various types of capital assets that are depreciated and the method used to calculate annual depreciation.

Using this guideline, the estimated useful lives of the various classes of depreciable capital assets are as follows:

Equipment	5-7 years
Vehicles	5 years
Computers	3 years
Improvements	15 years

When calculating depreciation, the State's guidelines assumes that capital assets will not have any salvage value.

Fund Financial Statements

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

L. Non-Current (Long-term) Liabilities

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

M. Unpaid Compensated Absences

The Council's policies for vacation time permit employees to accumulate earned but unused vacation leave. Accordingly, a liability for the unpaid vacation leave has been recorded in the Government-Wide Statements. Management has estimated the current and long-term portions of this liability based on historical trends. The amount accrued as the compensated absence liability was determined using the number of vested vacation hours for each employee multiplied by the employee's wage rate in effect at the end of the year.

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In contrast, the governmental funds in the Fund Financial Statements report only compensated absence liabilities that are payable from expendable available financial resources to the extent that the liabilities mature (or come due for payment). Vacation leave does not come due for payment until an employee makes a request to use it or terminates employment with the Council. Accordingly, no amounts have been accrued as fund liabilities as of year-end in the Fund Financial Statements. The differences in the methods of accruing compensated absences create a reconciling item between the fund and government-wide financial statement presentations.

The Council's sick leave policy does not provide for the vesting of sick leave thereby requiring the employee to be paid for any unused leave upon termination of employment. Accordingly, no amounts have been accrued as unpaid compensated absences in the Government-Wide Financial Statements relative to sick leave.

N. Deferred Revenues

The Council reports deferred revenues on both the Statement of Net Position (government-wide) and the Balance Sheet (fund financial statements). Deferred revenues arise when the Council receives resources before it has a legal claim to them, as when grant monies are received before the occurrence of qualifying expenditures. In subsequent periods, when the Council has a legal claim to the resources, the liability for deferred revenue is removed from the Statement of Net Position and the Fund Balance Sheet, whichever the case might be, and the revenue is recognized. The Council did not have any deferred revenue at year end.

O. Net Position in the Government-wide Financial Statements

In the government-wide Statement of Net Position, the Net Position amounts are classified and displayed in three components:

- Invested in capital assets – This component consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. At year-end the Council did not have any borrowings that were related to capital assets.
- Restricted net position – This component consists of net positions with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – This component consists of all other net positions that do not meet the definition of “restricted” or “invested in capital assets.”

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first to finance its activities.

P. Fund Equity – Fund Financial Statements

Governmental fund equity is classified as fund balance. GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* provides fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified \$0 as being nonspendable.
- Restricted: This classification includes amounts for which constraints have been placed on the use of resources are either:
  - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
  - Imposed by law through constitutional provisions or enabling legislation.

The Council has a restricted fund balance of \$51,469 as of June 30, 2023, of which \$20,481 represents the contributors' restriction of resources to be used for utility assistance, \$19,165 of excess Title III B funds, \$10,386 of excess Title III C-1 funds and \$1,437 of contributors' restriction of resources to be used for FEMA.

- Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Council's board of directors, which is the Council's highest level of decision-making authority. These amounts cannot be used for any other purposes unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council did not have any committed resources as of year end.
- Assigned: This classification includes amounts that are constrained by the Council's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the Council's (1) board of directors, (2) its finance committee, or (3) an official, such as the executive director, to which the board of directors has delegated the authority to assign amounts to be used for a specific purpose. The Council did not have any assigned resources as of year end.

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

When fund balance resources are available for a specific purpose in multiple classifications, the Council will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the Council's management reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

Q. Management's Use of Estimates

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

R. 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.

S. 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.

T. Leases

Effective July 1, 2022, the Council adopted FASB 842, *Leases*. The new accounting standard requires the recognition on the Balance Sheet of right-of-use (ROU) assets and lease liabilities for operating leases. The Council elected to adopt this standard and utilized all of the available practical expedients. The adoption, however, did not have an impact on the Council's Balance Sheet.

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U. Subsequent Events

Management has evaluated subsequent events through October 30, 2023, the date the financial statements were available to be issued. There were no events that required disclosure.

NOTE 2 REVENUE RECOGNITION

Revenues are recorded in the government-wide financial statements when they are earned under the accrual basis of accounting.

Revenues are recorded in the fund financial statements using the modified accrual basis of accounting. In applying the susceptible to accrual concept using this basis of accounting, intergovernmental grant revenues, program service fees, and interest income must be 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.

The Older American Act of 1965 Title III programs operate under a performance based contract. Title III program revenue is earned by the Council based on units of service provided within the guidelines of the related programs.

NOTE 3 CASH MANAGEMENT, DEPOSITS AND CASH EQUIVALENTS

The Council maintains a consolidated bank account which is available for use by all funds to deposit revenues and pay expenses. The purpose of this consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds.

During the year the Council might accumulate cash in excess of its immediate needs. To maximize its revenues, the Council's management will invest the excess cash. Although it is not required by law to comply with the State of Louisiana's investment laws, the Council's management has adopted an investment policy that is intended to follow Louisiana Revised Statute 33:2955, which sets forth a list of the types of investments in which a political subdivision may invest its temporarily idle funds.

As described by Louisiana law, the Council is classified as a quasi-public entity. Accordingly, the Council is not required to comply with Louisiana laws relating to the collateralization of bank deposits. However, it is the Council's policy to follow state law in an effort to minimize risks associated with bank deposits that exceed those currently covered by FDIC insurance.

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 CASH MANAGEMENT, DEPOSITS AND CASH EQUIVALENTS (Continued)

Cash is reported at its carrying value, which equals its fair value. At year-end, the combined carrying amount of the Council's cash balances on its books was \$63,867, whereas the related bank balances totaled \$69,961. The primary difference in these amounts relates to deposits made to and checks written on demand deposits accounts that have not yet cleared the bank accounts. At year-end, all of the bank balances were insured 100% by federal depository insurance.

<u>Cash &amp; Cash Equivalents</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Credit Risk Category</u>
Cash:					
Bank of Abbeville	\$ 61,079	\$ 61,079	None	Demand	Category 1
Gulf Coast Bank	\$ 2,788	\$ 2,788	None	Demand	Category 1
Total Cash & Cash Equivalents	<u>\$ 63,867</u>	<u>\$ 63,867</u>			
Unrestricted Purpose	\$ 12,398				
Restricted Purpose:					
Utility Assistance	20,481				
Title III B	19,165				
Title III C-1	10,386				
FEMA	<u>1,437</u>				
Total Cash & Cash Equivalents	<u>\$ 63,867</u>				

As illustrated in the above table, some of the Council's cash and cash equivalents are restricted assets for presentation in the Statement of Net Position. Restricted assets include amounts received or earned by the Council with an explicit understanding between the Council and the resource providers that the resource would be used for a specific purpose.

NOTE 4 INTERFUND RECEIVABLES AND PAYABLES

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ -	\$ 7,977
Special Revenue Funds:		
FEMA	1,437	-
Project Care	<u>6,540</u>	<u>-</u>
	<u>\$ 7,977</u>	<u>\$ 7,977</u>

These balances have been eliminated as part of the consolidation process in preparing the Government-Wide Financial Statements.

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 5 GOVERNMENT GRANTS AND CONTRACTS RECEIVABLE

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

Government grants and contracts receivable at year-end consist of reimbursements for expenses incurred under the following programs:

<u>Program</u>	<u>Fund</u>	<u>Provider</u>	<u>Amount</u>
Social Services	Title III B	CAAA	\$ 12,030
Congregate Meals	Title III C-1	CAAA	27,806
Home Delivered Meals	Title III C-2	CAAA	2,190
Caregivers	Title III E	CAAA	1,297
Miscellaneous	General	Various	<u>423</u>
Total government grants and contracts receivable			<u>\$ 43,746</u>

NOTE 6 CHANGES IN CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

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

	<u>Balance</u> <u>June 30, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2023</u>
Capital Assets				
Furniture & equipment	\$ 61,898	\$ -	\$ -	\$ 61,898
Leasehold improvements	<u>147,805</u>	-	-	<u>147,805</u>
Subtotal	<u>209,703</u>	-	-	<u>209,703</u>
Accumulated depreciation				
Furniture & equipment	58,197	626	-	58,823
Leasehold improvements	<u>83,847</u>	<u>9,096</u>	-	<u>92,943</u>
Subtotal	<u>142,044</u>	<u>9,722</u>	-	<u>151,766</u>
Net capital assets	<u>\$ 67,659</u>	<u>\$ (9,722)</u>	<u>\$ -</u>	<u>\$ 57,937</u>

The Council's management has reviewed capital assets and does not believe any capital assets have been impaired as of year-end.

Depreciation of \$9,722 was charged to governmental activities as administrative expense for the year ended June 30, 2023.

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 CHANGES IN COMPENSATED ABSENCES

The following is a schedule of the changes in accrued compensated absences:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Accrued annual leave	\$ 1,962	\$ -	\$ 1,051	\$ 911

NOTE 8 FUND BALANCES – FUND FINANCIAL STATEMENTS

The Council has \$20,481 of utility assistance, \$19,165 of Title III B, \$10,386 of Title III C-1, and \$1,437 of FEMA funds that remain unspent as of year end. The donors restrict these contributions for specific purposes. Accordingly, management separately accounts for them in a special revenue fund to ensure accountability. Utility assistance fund balances are common amongst council on aging entities. Utility assistance is a supportive service rendered under the Council’s Title III B program. Rather than commingle the accounting of the receipts and disbursements of the utility assistance within the Title III B fund, GOEA prefers that councils on aging use a separate fund that can facilitate the monitoring of the Title III B activity separately from the utility assistance activities.

NOTE 9 BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members can request reimbursement for out-of-pocket expenses in accordance with the Council’s travel policy when traveling on behalf of the Council.

NOTE 10 INCOME TAX STATUS

The Council, a non-profit corporation, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, and as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax. However, should the Council engage in activities unrelated to its exempt purpose, taxable income could result. The Council had no material unrelated business income for the fiscal year under audit.

NOTE 11 JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

As of the end of this fiscal year, the Council’s management has no knowledge of any pending litigation, lawsuits, or claims against the Council. Furthermore, the Council’s management believes that any unexpected lawsuits or claims that might be filed against the Council would be adequately covered by insurance or resolved without any material impact upon the Council’s financial statements.

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 12 CONTINGENCIES – GRANT PROGRAMS

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

NOTE 13 ECONOMIC DEPENDENCY

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

NOTE 14 RISK MANAGEMENT

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

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

NOTE 15 RETIREMENT PLAN

The Council sponsors a defined contribution 401(k) profit-sharing plan. Employees meeting certain eligibility requirements can participate in the plan to the extent allowed under Internal Revenue Service rules. The Council did not make any contributions to the plan for the year ended June 30, 2023.

NOTE 16 RELATED PARTY TRANSACTIONS

There were no significant related party transactions during the year.

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 17 INTERFUND TRANSFERS

Operating transfers to and from the various funds are as follows for the fiscal year:

	General Fund	Title III B	Funds transferring in:			Vaccine Outreach	Total
			Title III C-1	Title III C-2	Title III E		
<u>Funds transferring out:</u>							
Local	\$ -	\$ 4,156	\$ -	\$ 14,537	\$ 14,175	\$ 524	\$ 33,392
PCOA	-	-	-	80,002	19,998	-	100,000
Senior Center	-	45,144	54,853	-	-	-	99,997
Supplemental Senior Center	-	-	3,100	-	-	-	3,100
Supplemental Senior Center #2	-	-	7,812	-	-	-	7,812
Total General Fund	-	49,300	65,765	94,539	34,173	524	244,301
Special Revenue Funds:							
Major Funds:							
Title III C-1	10,386	-	-	-	-	-	10,386
Total Special Revenue Funds	10,386	-	-	-	-	-	10,386
Total all funds	\$ 10,386	\$ 49,300	\$ 65,765	\$ 94,539	\$ 34,173	\$ 524	\$ 254,687

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 by special revenue funds to eliminate program deficits. These transfers were eliminated as a part of the consolidation process in preparing the Government-Wide Financial Statements.

NOTE 18 COMPENSATION, BENEFITS AND OTHER PAYMENTS TO EXECUTIVE DIRECTOR

A detail of compensation, benefits and other payments made to Executive Director Calesia Briggs for the year ended June 30, 2023 follows:

<b>Calesia Briggs, Executive Director</b>	
Purpose	Amount
Salary	\$ 27,923
Reimbursements and other	413
Total	<u>\$ 28,336</u>

**SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34**

VERMILION COUNCIL ON AGING, INC.

Budgetary Comparison Schedule  
 General Fund  
 Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ 88,390	\$ 88,390	\$ 88,390	\$ -
Resources (inflows):				
Total revenues and transfers in	<u>229,152</u>	<u>229,152</u>	<u>224,077</u>	<u>(5,075)</u>
Amounts available for appropriation	<u>317,542</u>	<u>317,542</u>	<u>312,467</u>	<u>(5,075)</u>
Charges to appropriations (outflows):				
Operating services	-	-	38	(38)
Operating supplies	-	-	143	(143)
Transfers out	<u>174,587</u>	<u>210,909</u>	<u>244,301</u>	<u>(33,392)</u>
Total charges to appropriations	<u>174,587</u>	<u>210,909</u>	<u>244,482</u>	<u>(33,573)</u>
Budgetary fund balance, June 30	<u>\$ 142,955</u>	<u>\$ 106,633</u>	<u>\$ 67,985</u>	<u>\$ (38,648)</u>

See notes to required supplementary information.

VERMILION COUNCIL ON AGING, INC.

Budgetary Comparison Schedule  
 Title III B Fund  
 Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Total revenues and transfers in	<u>137,518</u>	<u>115,458</u>	<u>121,713</u>	<u>6,255</u>
Amounts available for appropriation	<u>137,518</u>	<u>115,458</u>	<u>121,713</u>	<u>6,255</u>
Charges to appropriations (outflows):				
Personnel and fringe	97,652	69,309	74,518	(5,209)
Travel	8,625	7,604	8,263	(659)
Operating services	24,100	26,136	31,762	(5,626)
Operating supplies	6,000	12,409	7,165	5,244
Other costs	-	-	5	(5)
Transfers out	<u>1,141</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total charges to appropriations	<u>137,518</u>	<u>115,458</u>	<u>121,713</u>	<u>(6,255)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

VERMILION COUNCIL ON AGING, INC.

Budgetary Comparison Schedule  
 Title III C-1  
 Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Total revenues and transfers in	<u>102,298</u>	<u>103,496</u>	<u>115,633</u>	<u>12,137</u>
Amounts available for appropriation	<u>102,298</u>	<u>103,496</u>	<u>115,633</u>	<u>12,137</u>
Charges to appropriations (outflows):				
Personnel and fringe	63,673	63,409	65,055	(1,646)
Travel	775	5,296	5,318	(22)
Operating services	18,037	19,713	23,945	(4,232)
Operating supplies	11,500	13,661	9,580	4,081
Other costs	-	1,417	1,349	68
Transfers out	<u>8,313</u>	<u>-</u>	<u>10,386</u>	<u>(10,386)</u>
Total charges to appropriations	<u>102,298</u>	<u>103,496</u>	<u>115,633</u>	<u>(12,137)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

VERMILION COUNCIL ON AGING, INC.

Budgetary Comparison Schedule  
 Title III C-2  
 Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Total revenues and transfers in	<u>103,999</u>	<u>135,787</u>	<u>143,694</u>	<u>7,907</u>
Amounts available for appropriation	<u>103,999</u>	<u>135,787</u>	<u>143,694</u>	<u>7,907</u>
Charges to appropriations (outflows):				
Personnel and fringe	60,807	48,341	50,815	(2,474)
Travel	35,074	48,071	51,672	(3,601)
Operating services	38	2,046	2,588	(542)
Operating supplies	-	2,307	1,680	627
Other costs	-	35,022	36,939	(1,917)
Transfers out	<u>8,080</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total charges to appropriations	<u>103,999</u>	<u>135,787</u>	<u>143,694</u>	<u>(7,907)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

VERMILION COUNCIL ON AGING, INC.

Budgetary Comparison Schedule  
 Title III E  
 Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Total revenues and transfers in	<u>79,000</u>	<u>58,687</u>	<u>60,216</u>	<u>1,529</u>
Amounts available for appropriation	<u>79,000</u>	<u>58,687</u>	<u>60,216</u>	<u>1,529</u>
Charges to appropriations (outflows):				
Personnel and fringe	45,917	26,773	27,670	(897)
Travel	5,125	7,819	8,109	(290)
Operating services	18,075	16,497	20,752	(4,255)
Operating supplies	4,500	7,598	3,685	3,913
Transfers out	<u>5,383</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total charges to appropriations	<u>79,000</u>	<u>58,687</u>	<u>60,216</u>	<u>(1,529)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

VERMILION COUNCIL ON AGING, INC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 BUDGETARY REPORTING

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

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

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

- GOEA notifies the Council each year as to the funding levels for each of its programs.
- Management makes revenue projections based on the revenue information provided by GOEA, grants from 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 Director 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.
- Unused budgeted 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 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.

VERMILION COUNCIL ON AGING, INC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 BUDGETARY REPORTING (Continued)

- 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 include the original adopted budget amounts. During the fiscal year, management did not deem it necessary to amend the Council's budget.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The Council may transfer funds between line items as often as required but must obtain compliance approval from the Governor's Office of Elderly Affairs for funds received under grants 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.

**SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA**

VERMILION COUNCIL ON AGING, INC.

Schedule of Non-Major Funds  
Year Ended June 30, 2023

	<u>Vaccine Outreach</u>	<u>FEMA</u>	<u>Project Care</u>	<u>Total</u>
<b>REVENUES</b>				
Intergovernmental:				
Cajun Area Agency on Aging, Inc.	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES</b>				
Current:				
Operating Services	475	-	-	475
Operating Supplies	49	-	-	49
Other Costs	-	-	2,194	2,194
Total Expenditures	<u>524</u>	<u>-</u>	<u>2,194</u>	<u>2,718</u>
Excess of revenues over expenditures	<u>(524)</u>	<u>-</u>	<u>(2,194)</u>	<u>(2,718)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>524</u>	<u>-</u>	<u>-</u>	<u>524</u>
Total other financing sources and uses	<u>524</u>	<u>-</u>	<u>-</u>	<u>524</u>
Net increase in fund balances	-	-	(2,194)	(2,194)
<b>FUND BALANCES</b>				
Beginning of the year	<u>-</u>	<u>1,437</u>	<u>22,675</u>	<u>24,112</u>
End of the year	<u>\$ -</u>	<u>\$ 1,437</u>	<u>\$ 20,481</u>	<u>\$ 21,918</u>

VERMILION COUNCIL ON AGING, INC.

Comparative Schedule of General Fixed Assets  
And Changes In General Fixed Assets  
Year Ended June 30, 2023

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
General fixed assets:				
Furniture and equipment	\$ 61,898	\$ -	\$ -	\$ 61,898
Leasehold improvements	<u>147,805</u>	<u>-</u>	<u>-</u>	<u>147,805</u>
Total general fixed assets	<u>\$ 209,703</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,703</u>
Investment in general fixed assets:				
Property acquired prior to July 1, 1990	\$ 11,364	\$ -	\$ -	\$ 11,364
Property acquired after July 1, 1990 with funds from -				
Local	10,679	-	-	10,679
PCOA	15,794	-	-	15,794
Title III B	1,493	-	-	1,493
Title III D	2,995	-	-	2,995
Section 5311/5309	<u>167,378</u>	<u>-</u>	<u>-</u>	<u>167,378</u>
Total investment in general fixed assets	<u>\$ 209,703</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,703</u>

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*

The Board of Directors  
Vermilion Council on Aging, Inc.  
Abbeville, 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 the Vermilion Council on Aging, Inc. as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Vermilion Council on Aging, Inc.'s basic financial statements, and have issued our report thereon dated October 30, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Vermilion 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Vermilion Council on Aging, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Vermilion 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 or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Vermilion 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as item 2023-001.

### **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. However, Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

This report is intended solely for the information and use of the board of directors, management, others within the organization and is not intended to be and should not be used by anyone other than those specified parties. However, Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

## ***Darnall, Sikes & Frederick***

A Corporation of Certified Public Accountants

Lafayette, Louisiana  
October 30, 2023

VERMILION COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2023

Part I Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on the Vermilion Council On Aging, Inc.'s financial statements as of and for the year ended June 30, 2023.

Deficiencies and Material Weaknesses in Internal Control - Financial Reporting

No material weaknesses in internal control over financial reporting were identified during the audit of the financial statements.

Material Noncompliance - Financial Reporting

There was one instance of noncompliance noted during the audit of the financial statements and is shown as item 2023-001 in Part II below.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2023.

Part II Findings Relating to an Audit in Accordance with *Government Auditing Standards*

**2023-001 Budget Variances**

Condition: The Council did not comply with the Budget policy.

Criteria: In accordance with the Council's budget policy, the budget for each fund adopted by the Council should be amended when actual revenues for a particular revenue category are less than the budgeted amount by more than ten (10%) percent or when actual expenses for a particular expense category are more than the budgeted amount by more than ten (10%).

Cause: The Council failed to amend the budget at the end of fiscal year June 30, 2022.

Effect: Inaccurate budgeting counters fiscal responsibility.

Recommendation: The Council should monitor revenues and expenses for each fund and amend the budget when actual revenues for a particular revenue category are less than the budgeted amounts by more than ten percent or when actual expenses for a particular expense category are more than the budgeted amounts by more than ten percent.

VERMILION COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2023

Part III Findings and Questioned Costs Relating to the Federal Programs

This section is not applicable for the fiscal year ended June 30, 2023.

Part IV Management Letter

The auditor did not issue a management letter this year.

VERMILION COUNCIL ON AGING, INC.

Summary Schedule of Prior Year Audit Findings  
Year Ended June 30, 2023

2022-001 Budget Variances

Status: This finding is unresolved. See current year finding 2023-001.

VERMILION COUNCIL ON AGING, INC.

Management's Corrective Action Plan  
Year Ended June 30, 2023

2023-001 Budget Variances

The Council will amend the budget whenever actual revenues are less than the budget amounts by more than ten percent or when actual expenses for a particular expense category are more than the budgeted amounts by more than ten percent.