

COUNCIL ON AGING OF CENTRAL OREGON

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023

COUNCIL ON AGING OF CENTRAL OREGON

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Council on Aging of Central Oregon
Bend, Oregon

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Council on Aging of Central Oregon (a nonprofit organization) (the Council), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council on Aging of Central Oregon as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council 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 opinion.

Responsibilities of Management 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.

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 Council's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' 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 auditors' report that includes our opinion. 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 GAAS 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 GAAS 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 Council'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 Council'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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

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

Prior-Year Summarized Comparative Information

We have previously audited the Council’s June 30, 2022, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 29, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2023, on our consideration of the Council’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 Board of Directors
Council on Aging of Central Oregon
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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 the effectiveness of the Council'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 the Council's internal control over financial reporting and compliance.

Price Frank & Co.

December 19, 2023

FINANCIAL STATEMENTS

COUNCIL ON AGING OF CENTRAL OREGON

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2023	2022
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 13,174	\$ 641,460	\$ 654,634	\$ 1,780,086
Grants receivable	529,093		529,093	581,547
Current portion of long-term pledges receivable				19,500
Prepaid expenses				17,776
TOTAL CURRENT ASSETS	542,267	641,460	1,183,727	2,398,909
OTHER ASSETS				
Security deposits	10,000		10,000	10,000
Long-term pledges receivable, net of current portion				4,500
Beneficial interest in Oregon Community Foundation		127,648	127,648	120,617
Operating lease right-of-use asset, net of accumulated amortization	355,002		355,002	
TOTAL OTHER ASSETS	365,002	127,648	492,650	135,117
FIXED ASSETS, net of accumulated depreciation				
Used in operations	3,541,657		3,541,657	2,574,055
Held for sale	283,530		283,530	287,178
TOTAL ASSETS	\$ 4,732,456	\$ 769,108	\$ 5,501,564	\$ 5,395,259
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 104,388	\$	\$ 104,388	\$ 331,249
Accrued expenses	127,211		127,211	120,294
Deferred revenue	7,100		7,100	19,117
Current portion of long-term debt	35,739		35,739	33,847
Current portion of operating lease liabilities	96,668		96,668	
TOTAL CURRENT LIABILITIES	371,106		371,106	504,507
LONG-TERM LIABILITIES				
Long-term debt, net of current portion	407,635		407,635	442,967
Operating lease liabilities, net of current portion	258,334		258,334	
TOTAL LONG-TERM LIABILITIES	665,969		665,969	442,967
TOTAL LIABILITIES	1,037,075		1,037,075	947,474
NET ASSETS				
Without donor restrictions	3,695,381		3,695,381	2,840,494
With donor restrictions		769,108	769,108	1,607,291
TOTAL NET ASSETS	3,695,381	769,108	4,464,489	4,447,785
TOTAL LIABILITIES AND NET ASSETS	\$ 4,732,456	\$ 769,108	\$ 5,501,564	\$ 5,395,259

See notes to financial statements

COUNCIL ON AGING OF CENTRAL OREGON

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2023	2022
SUPPORT AND REVENUE				
Federal grants	\$ 2,113,515	\$ 5,634	\$ 2,119,149	\$ 2,144,735
State grants	1,161,001	201,210	1,362,211	818,675
Local grants	70,200		70,200	124,135
Contributions	381,151	96,536	477,687	2,155,293
Program income	61,650		61,650	24,536
Investment income (losses)	5,754	7,031	12,785	(6,052)
Other program revenue	20,859		20,859	12,900
Net assets, released from restrictions	1,148,594	(1,148,594)		
	<u>4,962,724</u>	<u>(838,183)</u>	<u>4,124,541</u>	<u>5,274,222</u>
EXPENSES AND LOSSES				
Program services				
Nutrition and welfare	3,758,266		3,758,266	3,326,754
Support services				
Management and general	349,571		349,571	294,088
Fundraising				3,155
	<u>4,107,837</u>		<u>4,107,837</u>	<u>3,623,997</u>
CHANGE IN NET ASSETS	854,887	(838,183)	16,704	1,650,225
NET ASSETS - Beginning of year	<u>2,840,494</u>	<u>1,607,291</u>	<u>4,447,785</u>	<u>2,797,560</u>
NET ASSETS - End of year	<u>\$ 3,695,381</u>	<u>\$ 769,108</u>	<u>\$ 4,464,489</u>	<u>\$ 4,447,785</u>

See notes to financial statements

COUNCIL ON AGING OF CENTRAL OREGON

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	Program Services	Support Services		Totals	
	Nutrition and Welfare	Management and General	Fundraising	2023	2022
PERSONNEL					
Salaries and wages	\$ 1,515,526	\$ 114,072	\$ -	\$ 1,629,598	\$ 1,429,303
Payroll taxes and benefits	358,067	26,951	-	385,018	334,539
Total personnel	1,873,593	141,023	-	2,014,616	1,763,842
MATERIALS AND SERVICES					
Food and other supplies	396,023			396,023	366,925
Office expenses	124,163	41,387		165,550	117,923
Volunteer mileage	53,305			53,305	34,763
Travel and meetings	25,843	1,945		27,788	20,144
Employee recognition	15,792	3,948		19,740	23,310
Professional fees	89,097	45,899		134,996	159,683
Insurance	17,689	26,534		44,223	38,482
Interest	23,726	1,786		25,512	27,305
Outside services	722,458			722,458	660,632
Occupancy	201,562	15,171		216,733	241,078
Advertising	106,342	24,944		131,286	90,007
Dues and training	15,173	22,760		37,933	29,864
Capital campaign					3,155
Information Technology	9,513	14,269		23,782	
Printing	2,515	3,773		6,288	
Total materials and services	1,803,201	202,416	-	2,005,617	1,813,271
Total expenses before depreciation	3,676,794	343,439	-	4,020,233	3,577,113
Depreciation	81,472	6,132	-	87,604	46,884
TOTAL EXPENSES	\$ 3,758,266	\$ 349,571	\$ -	\$ 4,107,837	\$ 3,623,997

See notes to financial statements

COUNCIL ON AGING OF CENTRAL OREGON

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 16,704	\$ 1,650,225
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	87,604	46,884
Unrealized (gain) loss on investments	(7,031)	7,108
Change in current assets and liabilities		
Grants receivable	52,454	(181,093)
Pledges receivable	24,000	34,500
Prepaid expenses	17,776	(12,276)
Security deposits		(10,000)
Accounts payable	(226,861)	177,709
Accrued expenses	6,917	14,104
Deferred revenue	(12,017)	6,274
	(40,454)	1,733,435
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,051,558)	(1,018,869)
	(1,051,558)	(1,018,869)
NET CASH USED IN INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on note payable	(33,440)	(31,647)
	(33,440)	(31,647)
NET CASH USED IN FINANCING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,125,452)	682,919
CASH AND CASH EQUIVALENTS - Beginning of year	1,780,086	1,097,167
CASH AND CASH EQUIVALENTS - End of year	\$ 654,634	\$ 1,780,086

See notes to financial statements

COUNCIL ON AGING OF CENTRAL OREGON

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Council on Aging of Central Oregon (the Council), is responsible for planning, coordinating and implementing the administration of federal, state and local grants designed to meet the health and welfare needs of the elderly in the Deschutes, Jefferson and Crook Counties of Central Oregon.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis of Presentation

The financial statements are presented in accordance with accounting principles generally accepted in the United States of America for not-for-profit organizations which require the Council to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without restrictions: Net assets that are not subject to stipulations imposed by donors and grantors and may be expended for any purpose in performing the primary objectives of the Council. These net assets may be used at the discretion of the Council's management and board of directors.

Net assets with restrictions: Net assets that are subject to stipulations imposed by donors and grantors. Some restrictions are temporary in nature; those restrictions will be met by the actions of the Council or the passage of time. Other restrictions are perpetual in nature, whereby the donor or grantor has stipulated that the funds be maintained in perpetuity.

Donor/grantor restricted revenues are reported as increases in net assets with restrictions, unless those restrictions are satisfied in the same reporting period in which case these revenues are reported as increases in net assets without restrictions. When a restriction expires, net assets are reclassified from net assets with restrictions to net assets without restrictions in the statement of activities.

Estimates

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

COUNCIL ON AGING OF CENTRAL OREGON

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Cash and Cash Equivalents

Cash and cash equivalents are stated at cost which approximates fair value. For purposes of the statement of cash flows, the Council considers all cash investments with maturities of three months or less to be cash equivalents.

Grants and Pledges Receivable

Based on historical collections, the Council believes that grants and pledges receivable will be fully collectible. Therefore, no allowance was recorded.

Investments

The Council holds a beneficial interest in two endowment funds of the Oregon Community Foundation. These investments are recorded at fair market value.

Fixed Assets

Fixed assets acquired by the Council are considered to be owned by the Council. However, State funding sources may maintain an interest in the property purchased with grant funding as well as the right to determine the use of any proceeds from the sale of such assets. Fixed assets are recorded at cost or fair market value on date of receipt if donated, and are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	39 years
Leasehold improvements	15 years
Machinery and equipment	5-10 years
Furniture and fixtures	5-7 years
Vehicles	7 years

The Council capitalizes all property and equipment with a purchase price of greater than \$2,000 and a useful life of greater than one year.

If donors stipulate how long or for which program center the donated fixed assets must be used, the contributions are recorded as net assets with restrictions when received. In the absence of such stipulations, contributions of fixed assets are recorded as net assets without restrictions.

COUNCIL ON AGING OF CENTRAL OREGON

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Compensated Absences

Compensated absences are recorded as a liability and an expense when earned rather than when paid. When vacation is taken, amounts disbursed for vacation pay are charged against the liability. Compensated absences are valued at current pay rates.

Support and Revenue

Under accounting principles generally accepted in the United States of America, all contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor or grantor. Contributions and grants that are designated for future periods or restricted by the donor/grantor for specific purposes or specific program centers are reported as net assets with restrictions. Restricted contributions and grants whose restrictions are met in the same reporting period are reported as unrestricted support. As funds are expended in accordance with donor or grantor stipulations, revenues are released from restrictions.

Endowment contributions and investments that are restricted by donors are recorded as net assets with restrictions.

Contributions of donated noncash assets are recorded at their fair values in the period received. During the year ended June 30, 2023, the Council received \$1,448 worth of donated goods, which consisted of food and supplies.

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, and would typically need to be purchased if not provided by the donation, are recorded at their fair values in the period received. No donated services were received during the fiscal year ended June 30, 2023.

Revenue Recognition

The Council recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

COUNCIL ON AGING OF CENTRAL OREGON

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue Recognition – Continued

A portion of the Council's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Council has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

Advertising

Advertising costs are expensed as incurred. Advertising expenses totaled \$131,286 for the year ended June 30, 2023.

Income Taxes

The Council is a not-for-profit corporation which has been granted tax-exempt status under IRC Section 501(c)(3). In addition, it has been determined by the Internal Revenue Services (IRS) not to be a private foundation within the meaning of Section 509(a) of the code. Accordingly, these financial statements do not reflect a provision for income taxes. The tax returns for the Council are subject to examination by the IRS generally for three years after they were filed.

Functional Allocation of Expenses

The Council allocates indirect expenses of administrative overhead and other allocable costs to supporting service departments or program centers based on various direct costs and other information. The Council's management reviews and updates these allocations on an annual basis.

The cost of providing various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among programs and supporting services benefited.

The method of allocating all costs on a functional basis is time and effort of personnel costs.

Leases

The Council determines if an arrangement is, or contains, a lease at inception. All leases are recorded in the statement of financial position except for leases with an initial term less than twelve months for which the Council made the short-term lease election.

COUNCIL ON AGING OF CENTRAL OREGON

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Leases – Continued

Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. The ROU assets represent the Council's right to use underlying assets for the lease term, and the lease liabilities represent the Council's obligation to make lease payments arising from these leases. ROU assets also include adjustments related to lease payments made and lease incentives received at or before the commencement date. The operating lease ROU asset is included in other assets and the related liabilities are included in long-term liabilities in the statement of financial position.

At lease commencement, lease liabilities are recognized based on the present value of the remaining lease payments and discounted using the risk-free rate. Operating lease cost is recognized on a straight-line basis over the lease term as lease expense within operating expenses in the statement of activities. Lease and non-lease components of lease agreements are accounted for separately. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Council will exercise that option.

Recently Adopted Accounting Pronouncements

The Council adopted ASC 842, Leases, effective July 1, 2022. This standard requires lessees to recognize leases on the statement of financial position as right-of-use (ROU) assets and lease liabilities based on the discounted present value of the future lease payments. In adopting ASC 842, the Council elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs of existing leases.

Upon adoption, the Council recognized an operating ROU asset and a lease liability both in the amount of \$446,971. ASC 842 did not have a significant effect on the accounting for leases for which the Council is a lessor, as the Council was not a party to this type of lease agreement during the year.

COUNCIL ON AGING OF CENTRAL OREGON

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

NOTE 2 – AVAILABILITY AND LIQUIDITY

The following represents the Council's financial assets as of June 30:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 654,634	\$ 1,780,086
Grants receivable	529,093	581,547
Pledges receivable		24,000
Beneficial interest in Oregon Community Foundation	<u>127,648</u>	<u>120,617</u>
 Total financial assets	 <u>1,311,375</u>	 <u>2,506,250</u>
 Less amounts not available to be used within one year:		
Net assets with restrictions	769,108	1,607,291
Less net assets with purpose restrictions to be met in less than one year	<u>(641,460)</u>	<u>(1,486,674)</u>
 Total amounts not available:	 <u>127,648</u>	 <u>120,617</u>
 Financial assets available to meet general expenditures over the next twelve months	 <u>\$ 1,183,727</u>	 <u>\$ 2,385,633</u>

As part of the Council's liquidity plan, excess cash is invested in short-term investments including money market accounts. It is the Council's policy to maintain a cash reserve sufficient to fund budgeted operating expenses for a period of three to five months.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Petty cash	\$ 150	\$ 150
Demand accounts	<u>654,484</u>	<u>1,779,936</u>
	<u>\$ 654,634</u>	<u>\$ 1,780,086</u>

For the year ended June 30, 2023, the Council paid no income taxes and paid interest of \$25,512.

COUNCIL ON AGING OF CENTRAL OREGON

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 4 – PLEDGES RECEIVABLE

Unconditional promises to give are recorded as receivables and revenue when received. The Council distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. Management has determined that the discounted present value of the pledges was not significantly different from their face value.

Conditional promises to give are recorded as receivables when the conditions that the promise is based on have been met. The Council received no conditional promises to give during the year ended June 30, 2023.

Unconditional promises to give restricted for use in the capital campaign were collected in full during the year ended June 30, 2023.

NOTE 5 – FAIR VALUE MEASUREMENT

Investments are carried at fair market value. Donated investments usually consist of stock where the fair market value at the date of receipt is determined based on quoted market prices. In the absence of donor stipulations, donated investments may be sold immediately to generate cash for operations. Investment income is recognized when received and classified as net assets without restriction, unless restricted by the donor. Gains and losses are recorded in the statement of activities as increases or decreases in net assets without restriction unless their use is restricted by the donor.

Investments as of June 30, 2023, consisted of \$127,648 held in marketable securities in short-term investments held by the Oregon Community Foundation.

Accounting principles generally accepted in the United States of America established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy under are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Council has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;

COUNCIL ON AGING OF CENTRAL OREGON

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 5 – FAIR VALUE MEASUREMENT – CONTINUED

- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value of the Council’s beneficial interest in the endowment funds was calculated and provided by the Oregon Community Foundation, a Level 2 input source.

NOTE 6 – FIXED ASSETS

Fixed assets consisted of the following as of June 30:

	<u>2023</u>	<u>2022</u>
<u>Used in operations:</u>		
Land	\$ 289,961	\$ 289,961
Buildings and improvements	3,156,237	1,983,559
Leasehold improvements	111,177	111,177
Furniture and fixtures	5,160	5,160
Machinery and equipment	30,348	65,926
Vehicles	157,210	83,843
Construction in process - new facility	22,495	216,981
	<u>3,772,588</u>	<u>2,756,607</u>
Accumulated depreciation	<u>(230,931)</u>	<u>(182,552)</u>
	<u>\$ 3,541,657</u>	<u>\$ 2,574,055</u>

COUNCIL ON AGING OF CENTRAL OREGON

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 6 – FIXED ASSETS – CONTINUED

	<u>2023</u>	<u>2022</u>
<u>Held for sale:</u>		
Land	\$ 185,098	\$ 185,098
Buildings and improvements	<u>151,048</u>	<u>151,048</u>
	336,146	336,146
Accumulated depreciation	<u>(52,616)</u>	<u>(48,968)</u>
	<u>\$ 283,530</u>	<u>\$ 287,178</u>

NOTE 7 – DEFERRED REVENUE

The following table provides information about significant changes in the Council's deferred revenue, which consists of advertising revenues collected in advance for the Council's Directions publication, for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Deferred advertising revenue, beginning of year	\$ 19,117	\$ 12,843
Revenue recognized that was included in deferred revenue at the beginning of the year	(12,017)	(12,843)
Increase in deferred revenue due to cash received during the period		<u>19,117</u>
Deferred advertising revenue, end of year	<u>\$ 7,100</u>	<u>\$ 19,117</u>

NOTE 8 – LONG-TERM DEBT

As of June 30, 2023, long-term debt consisted of a note payable to US Bank in connection with the purchase of the new facility. The note is due in monthly installments of \$4,913, including interest at 5.45%. The note is secured by real estate and matures in February 2033. As of June 30, 2023, the total outstanding principal balance of this note was \$443,374, of which \$35,739 is due within one year.

COUNCIL ON AGING OF CENTRAL OREGON

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 8 – LONG-TERM DEBT – CONTINUED

Maturities of long-term debt are as follows:

<u>Year ending June 30,</u>	
2024	\$ 35,739
2025	37,736
2026	39,845
2027	42,071
2028	44,422
Thereafter	<u>243,561</u>
	<u>\$ 443,374</u>

NOTE 9 – OPERATING LEASES

In September 2021, the Council entered into an agreement to lease office space in Bend, Oregon under an operating lease that expires in November 2026. The agreement abated rent for the first three months, then called for monthly payments of \$8,338 with annual escalators of 3% through the term of the lease. Total lease payments of \$102,553 were made for the year ended June 30, 2023.

The Council amortizes this operating lease on a straight-line basis over the life of the lease through rent expense, and principal payments reduce the Council's lease liability as lease payments are made. At the date of adoption of ASC 842, the operating ROU asset and operating lease liability both totaled \$446,971. The balance of the operating ROU assets as of June 30, 2023, was \$446,971 and accumulated amortization of the operating ROU asset was \$91,969.

COUNCIL ON AGING OF CENTRAL OREGON

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 9 – OPERATING LEASES

The following is a schedule of future minimum lease payments required under the lease agreement, and future maturities of the operating lease liability:

<u>Year ending June 30,</u>	Future Minimum Lease Payments	Future maturities of operating lease liabilities
2024	\$ 105,629	\$ 96,668
2025	108,798	102,700
2026	112,092	109,035
2027	46,935	46,599
	<u>\$ 373,454</u>	<u>\$ 355,002</u>
	Less current maturities	<u>\$ (96,668)</u>
		<u>\$ 258,334</u>

NOTE 10 – NET ASSETS

Net assets with restrictions consisted of the following as of June 30:

With donor restrictions	<u>2023</u>	<u>2022</u>
MOW pet program	\$ 13,730	\$ 5,939
MOW solicited / unsolicited	93,425	86,028
Caring Connections program	17,201	72,361
Cong foundation	48,292	20,000
Latinx nutrition program & bilingual CM	100,000	50,000
Diversity, equity, inclusion bonus	151,210	
General funds		150,054
Capital vehicle	55,634	
Capital campaign (new facility)	161,968	1,078,292
Capital campaign (new facility) pledges		24,000
Endowment fund - Redmond area senior programs	53,039	50,117
Endowment fund - Council operations	74,609	70,500
	<u>\$ 769,108</u>	<u>\$ 1,607,291</u>

COUNCIL ON AGING OF CENTRAL OREGON

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 10 – NET ASSETS – CONTINUED

Both endowment funds were funded with restricted contributions that are to remain in the endowments in perpetuity as stipulated by the donors. Earnings on one of these contributions are available for use in operating programs for seniors in the Redmond, Oregon area, while earnings on the other contribution are available for use in operating the Council.

Net assets released from restrictions included the following as of June 30:

Releases from restriction	<u>2023</u>	<u>2022</u>
Federal grant programs	\$	\$ 81,551
Local grant programs	150,802	
Contributions	<u>997,792</u>	<u>198,671</u>
	<u>\$ 1,148,594</u>	<u>\$ 280,222</u>

NOTE 11 – CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially expose the Council to concentrations of credit risk consist primarily of cash and cash equivalents. The Council maintains its cash balances at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). At times, cash balances are in excess of the FDIC insurance limits. As of June 30, 2023, the balance in excess of the amount insured by the FDIC was \$351,184.

NOTE 12 – EMPLOYEE RETIREMENT PROGRAM

The Council offers an employee retirement program under Internal Revenue Code Section 403(b) which is available to all employees after a minimum employment period. Employees may contribute a portion of their qualified wages subject to a ceiling prescribed by law. The Council matches the employee's contribution at a fixed amount as determined by management. The Council's contributions to the plan totaled \$61,166 for the year ended June 30, 2023.

COUNCIL ON AGING OF CENTRAL OREGON

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 13 – CONTINGENCIES

Grants

The Council receives grants from various federal, state and local agencies that are subject to review and audit by these agencies. Such audits could result in a request for reimbursement by these agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the Council's management, such disallowances, if any, will not be significant.

Tax Positions

The Council is exempt from federal and state income taxes, with the exception of federal taxes for net profits on unrelated business income, under Internal Revenue Code Section 501(c)(3).

Regarding uncertain tax positions, the Council will recognize in its financial statements the benefit of a tax position when it believes that tax position will more likely than not be sustained on audit based on the technical merits of the position. For an exempt organization, uncertain tax positions could result from unrelated business income activities or actions that jeopardize its status as tax-exempt, such as political activity, substantial lobbying expenditures or excessive unrelated business activities. The Council has concluded that it had no unrecognized income tax benefits as of June 30, 2023, and it has no tax positions for which it estimates a significant change over the next twelve months.

The Council is subject to examination by state and federal tax authorities. With few exceptions, the Council is no longer subject to examination by major taxing authorities for years before 2019.

NOTE 14 – SUBSEQUENT EVENTS

The property designated as held for sale on the statement of financial position was sold in August 2023. The proceeds were used to pay off the loan held by US Bank (Note 8) shortly thereafter.

Subsequent events have been evaluated through December 19, 2023, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

COUNCIL ON AGING OF CENTRAL OREGON

COMBINING SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS - BUDGETARY BASIS (UNAUDITED) YEAR ENDED JUNE 30, 2023 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	Title III B	Title III C-1	Title III C-2	Title III D	Title III E	Title VII B	Oregon Project Independence	OPI-M	Sequestration & Other State
REVENUE									
Federal State	\$ 281,133		\$ 221,366	\$ 17,316	\$ 147,196	\$ 2,841			
NSIP - Federal		21,001	39,003				382,585	754,333	64,500
Title XIX Contract, Federal			216,470						
SPPC			9,506						
Klamath Contract									
Local Grants - County Contribution		14,875	30,325						
United Way									
EFSP - Emergency Food Shelter Program			26,000						
Private Foundation and Donations		12,887	169,969						
Program Income		1,854	18,334				304		
Other Revenue									
Investment Income									
Capital Vehicle									
Capital Campaign Donation									
Capital Campaign Pledges									
Total revenue	281,133	425,386	730,973	17,316	147,196	2,841	382,889	754,333	64,500
EXPENDITURES									
Administration	37,784	34,083	22,137		25,944		37,994	73,167	6,150
Advocacy	18,100								
Case Management	21,518				53,065		66,274	681,166	
Newsletter	2,262								
Transportation	5,448								
Legal Assistance	12,055								
Nutrition Education	15,336								
Information & Assistance	56,852				30,088				
Outreach	25,891								
Home Repair / Chore	1,245						2,501		
Health / Medical Equipment	969						3,827		
Reassurance	4,669								
Public Outreach / Education	39,728								
Volunteer Services	41,972								
Congregate Meals		376,562							
Home Delivered Meals			531,140		4,285		26,945		
Elderly Prevention						2,841			
Family Caregiver Program					33,814				
Personal Care							101,693		
Home Care							143,352		
Health Programs				17,316					
IT Other State									58,350
ADRC/NWD									
SHIBA & SMP									
Building - 5th Street									
Undesignated Funds									
Designated Funds									
Total expenditures	283,829	410,645	553,277	17,316	147,196	2,841	382,586	754,333	64,500
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES, before transfer									
	(2,696)	14,741	177,696				303		
Transfer (to) from other funds		207,232			3,710				
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES									
	(2,696)	221,973	177,696		3,710		303		
NET ASSETS - beginning of year									
	142,536	(221,973)	74,717	987	(3,710)	3,434	133,633		
NET ASSETS - end of year									
	\$ 139,840	\$ -	\$ 252,413	\$ 987	\$ -	\$ 3,434	\$ 133,936	\$ -	\$ -

Evidence Based	COVID-19	Diversity	SLFRF IIC2	ARP	SHIBA SMP	ADRC & NWD	Designated Funds	Other	Totals	
									2023	2022
\$	\$	\$ 155,658	\$ 91,568	\$ 541,322	\$ 37,928	\$ 47,865	\$	\$	\$ 1,833,169	\$ 1,894,516
									1,287,211	782,975
									60,004	78,880
									216,470	175,691
									9,506	
							39,304		39,304	33,048
									45,200	45,235
										26,755
							63,180	96,222	342,258	331,600
							22,212		20,492	24,679
								8,179	22,212	91,843
									8,179	63
							50,000		50,000	
							174,577		174,577	1,764,437
										24,500
		155,658	91,568	541,322	37,928	47,865	349,273	104,401	4,134,582	5,274,222
				47,518					284,777	229,132
				31,025					18,100	90,908
									853,048	528,721
									2,262	34,000
									5,448	24,100
									12,055	17,002
									15,336	20,601
				26,007					112,947	178,434
									25,891	30,148
									3,746	3,324
									4,796	5,374
									4,669	69,859
									39,728	118,674
				10,301					52,273	40,051
				158,700			9,460		544,722	586,309
			91,568	253,758			222,877		1,130,573	1,134,927
									2,841	3,472
									33,814	31,847
									101,830	101,727
									143,519	149,211
				14,013					31,329	21,093
									58,350	2,146
						47,865			47,865	64,616
					37,928				37,928	38,278
							1,185,845		1,185,845	960,666
		4,448						346,402	346,402	106,620
							209,403		213,851	40,115
		4,448	91,568	541,322	37,928	47,865	1,627,889	346,402	5,313,945	4,631,355
		151,210					(1,278,616)	(242,001)	(1,179,363)	642,867
(51,815)	7,374				14,668	74,766	209,493	(465,428)		
(51,815)	7,374	151,210			14,668	74,766	(1,069,123)	(707,429)	(1,179,363)	642,867
51,815	(7,374)			19,999	(14,668)	(74,766)	1,069,123	898,730	2,072,483	1,429,616
\$ -	\$ -	\$ 151,210	\$ -	\$ 19,999	\$ -	\$ -	\$ -	\$ 191,301	\$ 893,120	\$ 2,072,483

Reconciliation of Council's budgetary basis information to accounting principles generally accepted in the United States of America:

Budgetary basis excess of revenue over expenditures	\$ (1,179,363)	\$ 642,867
Depreciation	(87,604)	(46,884)
Principal payments	33,440	31,647
Change in deferred revenue	12,017	(6,274)
Capitalized building and equipment costs	1,185,845	960,666
Other adjustments	52,369	68,203
	\$ 16,704	\$ 1,650,225

See independent auditors' report

SINGLE AUDIT COMPLIANCE

**INDEPENDENT AUDITORS' 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
Council on Aging of Central Oregon

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 Council on Aging of Central Oregon (the Council), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated December 19, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council'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 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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**INDEPENDENT AUDITORS' 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* – CONTINUED**

Compliance and Other Matters

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

Purpose of this Report

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

Price Fronk & Co.

December 19, 2023

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Board of Directors
Council on Aging of Central Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Council on Aging of Central Oregon's (the Council) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs for the year ended June 30, 2023. The Council's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Council complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 United States *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Council's compliance with the compliance requirements referred to above.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE – CONTINUED**

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Council's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Council's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Council's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over compliance. Accordingly, no such opinion is expressed.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE – CONTINUED**

We are required to communicate with those charged with governance regarding, among other things, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Price Fronk & Co.

December 19, 2023

COUNCIL ON AGING OF CENTRAL OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2023

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on the basic financial statements of the Council on Aging of Central Oregon (the Council).
2. No material weaknesses in internal control over financial reporting were identified during the audit of the financial statements.
3. No instances of noncompliance required to be reported under *Government Auditing Standards* were identified during the audit of the financial statements.
4. No deficiencies in internal control over compliance considered to be material weaknesses were identified during the audit of the major federal award programs.
5. The auditors' report on compliance for the major federal award programs for the Council expresses an unmodified opinion on all major federal programs.
6. No audit findings relative to the major federal award programs for the Council are reported in this Schedule.
7. The programs tested as major programs were:
 - U.S. Department of Health and Human Services, Aging Cluster, comprising:
 - 93.044 – Special Programs for the Aging – Title III, Part B
 - 93.045 – Special Programs for the Aging – Title III, Part C
 - 93.053 – Nutrition Services Incentive Program
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The Council was determined to be a low-risk auditee.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

FINDINGS – FINANCIAL STATEMENT AUDIT

None

COUNCIL ON AGING OF CENTRAL OREGON

STATUS OF PRIOR YEAR (2022) FINDINGS YEAR ENDED JUNE 30, 2023

No prior year findings.

COUNCIL ON AGING OF CENTRAL OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2023

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal ALN Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
Department of Health and Human Services				
Passed through State of Oregon Department of Human Services				
Special Programs for the Aging:				
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	171480	\$ 281,133	\$
COVID-19 Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	171480	75,689	
Subtotal Title III, Part B			<u>356,822</u>	
Title III, Part C - Nutrition Services	93.045	171480	596,135	
COVID-19 Title III, Part C - Nutrition Services	93.045	171480	323,995	
Subtotal Title III, Part C			<u>920,130</u>	
Nutrition Services Incentive Program	93.053	171480	60,004	
Subtotal Aging Cluster			<u>1,336,956</u>	
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	171480	17,316	
COVID-19 Title III, Part D - Disease Prevention and Health Promotion Services	93.043	171480	34,013	
Subtotal Title III, Part D			<u>51,329</u>	
Title III, Part E - National Family Caregiver Support	93.052	171480	147,196	
COVID-19 Title III, Part E - National Family Caregiver Support	93.052	171480	107,625	
Subtotal Title III, Part E			<u>254,821</u>	
Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	171480	2,841	
Subtotal Department of Health and Human Services			<u>1,645,947</u>	
Department of Treasury				
Passed through State of Oregon Department of Human Services				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	171480	91,568	
Subtotal Department of Treasury			<u>91,568</u>	
			<u>\$ 1,737,515</u>	<u>\$ -</u>

COUNCIL ON AGING OF CENTRAL OREGON

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2023

Note A - Basis of Presentation

The accompanying schedule of federal awards (the Schedule) includes the federal award activity of the Council on Aging of Central Oregon (the Council) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 United States Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Council it is not intended to and does not present the financial position, change in net assets or cash flows of the Council.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance.

Note C - Indirect Cost Rate

The Council has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note D - Federal Loan Programs

There were no amounts of loans or loan guarantees related to federal awards outstanding at year end.