
AGENDA ITEM:

FY 2022-2023

Budget Workshop

Jasper County Council on Aging

Lila Resh

Jasper County Budget Worksheet Report

Budget Year 2023

Account Description	2022 Adopted Budget	2022 Actual Amount	2023 Department Request
Fund 010 - GENERAL FUND			
Department 090 - AGENCY APPROPRIATIONS			
4405 J.C. COUNCIL ON AGING	125,000.00	93,750.00	<u>175,000.00</u>

EXPLANATION:

The board would like you to consider giving Jasper County Council on Aging more than 5125,000.00. We have worked hard to keep going the seniors of Jasper County. We had to give our employees significant raises to be able to keep them. They have been below standards for many years. This will effect our budget greatly. We appreciate and continue to value your support of the seniors of Jasper County.

Request by:

John C. Byers

Date:

2.22.22

Email address:

john.c.byers@gmail.com

Best Contact Phone No.:

813 726 5601

JASPER COUNTY COUNCIL ON AGING, INC.

**AUDITED FINANCIAL STATEMENTS
AND OTHER SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2021

**WITH
INDEPENDENT AUDITORS' REPORT**

JASPER COUNTY COUNCIL ON AGING, INC.

AUDITED FINANCIAL STATEMENTS
AND OTHER SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2021

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THE BRITTINGHAM GROUP, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

501 STATE STREET

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WEST COLUMBIA, SOUTH CAROLINA 29171

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Jasper County Council on Aging, Inc.
Ridgeland, South Carolina

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jasper County Council on Aging, Inc. as of June 30, 2021, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Unit Costs on page 15 is presented for purposes of additional analysis and is not a required part of the 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 Brittingham Group LLP

West Columbia, South Carolina

February 22, 2022

JASPER COUNTY COUNCIL ON AGING, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

Assets

Current assets

Cash and cash equivalents	\$ 151,044
Accounts receivable	23,950
Leasehold interest	9,950

Total current assets 184,944

Non-current assets

Fixed assets, net of accumulated depreciation	465,803
Leasehold interest	363,114

Total non-current assets 828,917

Total Assets \$ 1,013,861

Liabilities and Net Assets

Current liabilities

Accounts payable and accrued liabilities	\$ 13,583
Accrued annual leave	3,049

Total current liabilities 16,632

Net assets

Without donor restrictions	624,165
With donor restrictions	373,064

Total net assets 997,229

Total liabilities and net assets \$ 1,013,861

See the accompanying notes to the financial statements.

JASPER COUNTY COUNCIL ON AGING, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

	Net Assets		Total
	Without Donor Restrictions	With Donor Restrictions	
Operating Revenues			
Grant and contract revenue	\$ 629,491		\$ 629,491
Contributions	29,871	-	29,871
Miscellaneous revenue	307	-	307
Net assets released from donor restrictions	9,950	(9,950)	-
Total operating revenues	669,619	(9,950)	659,669
Operating Expenses			
Home delivery meals	222,843	-	222,843
Transportation	149,862	-	149,862
Congregate meals	122,621	-	122,621
Supporting services	141,801	-	141,801
Total operating expenses	637,127	-	637,127
Income (Loss) from operations	32,492	(9,950)	22,542
Increase (Decrease) in net assets	32,492	(9,950)	22,542
Net assets, beginning of year	591,673	383,014	974,687
Net assets, at end of year	\$ 624,165	\$ 373,064	\$ 997,229

See the accompanying notes to the financial statements.

JASPER COUNTY COUNCIL ON AGING, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2021

	Home Delivery Meals	Transportation	Congregate Meals	Supporting Services	Total
Salaries and benefits	\$ 58,662	\$ 74,767	\$ 58,662	\$ 93,716	\$ 285,807
Food costs	109,024	-	44,531	-	153,555
Contract costs	15,765	13,395	5,254	16,790	51,204
Transportation and vehicle costs	-	40,957	-	2,156	43,113
Leasehold interest	3,064	2,603	1,021	3,262	9,950
Utilities	14,978	-	6,039	3,141	24,158
Repairs and maintenance	8,445	7,175	2,814	8,994	27,428
Depreciation	3,827	3,252	1,275	4,075	12,429
Supplies	2,639	2,242	879	2,810	8,570
Activities	234	199	78	249	760
Office	2,980	2,532	993	3,173	9,678
Miscellaneous	3,225	2,740	1,075	3,435	10,475
Total expenses	\$ 222,843	\$ 149,862	\$ 122,621	\$ 141,801	\$ 637,127

See the accompanying notes to the financial statements.

JASPER COUNTY COUNCIL ON AGING, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

Cash Flows from Operating Activities	
Income from operations	\$ 22,542
Depreciation expense	12,429
Expiration of leasehold rights	9,950
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:	
Changes in current assets and current liabilities:	
Prepaid expense	4,006
Accounts payable and accrued liabilities	(8,791)
Accrued annual leave	(1,119)
Net cash provided by operating activities	<u>39,017</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of capital assets	(11,423)
Net cash used in capital and related financing activities	<u>(11,423)</u>
Net change in cash and cash equivalents	27,594
Cash and cash equivalents, beginning of year	123,450
Cash and cash equivalents, end of year	<u>\$ 151,044</u>

See the accompanying notes to the financial statements.

JASPER COUNTY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

1. Accounting Policies, Business Description

The summary of significant accounting policies of Jasper County Council on Aging, Inc. (the "Council") is presented to assist in understanding the Council's financial statements. The financial statements and notes are representations of the Council's management, who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Organization

The Council provides community-based services to meet the needs of senior citizens primarily in Jasper County, South Carolina. The major program services are home delivery meals, congregate meals, transportation, wellness checks, and fundraising. The Council's funding is received primarily through contracts with the Lowcountry Council of Governments ("LCOG"), County government funding, state contracts and contributions from participants and local businesses in the areas the Council services. This funding is used for the aforementioned programs as well as maintaining the physical facilities and vehicles.

Method of Accounting and Basis of Presentation

The financial statements of the Council have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities. Under professional standards issued by the Financial Accounting Standards Board (FASB) for Not-for-Profit Organizations, the Council is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions

The Council reports that part of its net assets that does not have donor-imposed stipulations as net assets without donor restrictions.

Net Assets with Donor Restrictions

The Council reports non-refundable grant and contribution support as with donor restrictions if they are received with stipulations that limit the use of the support, or if the support is designated as support for future periods. Additionally, the Council reports gifts and other inflows of assets whose use by the Council is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise be removed by actions of the Council as with donor restrictions. The Council had \$373,064 in net assets with donor restrictions for the year ended June 30, 2021.

-CONTINUED-

JASPER COUNTY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

1. Accounting Policies, Business Description (Continued)

Cash and Cash Equivalents

The Council considers all funds in demand deposit accounts and all highly liquid investments with initial maturities of three months or less to be cash equivalents for the purpose of determining and presenting cash flows.

Accounts Receivable

The Council's accounts receivable primarily relate to the Council's contracted services. The allowance method is used to determine uncollectible accounts receivable. Accounts are considered delinquent if not paid within thirty days of the invoice date, and the Council does not apply finance charges to delinquent balances. The allowance is based on previous experience and management's analysis of the state of current receivables. There was no allowance for doubtful accounts as of June 30, 2021.

Prepaid Expenses

Prepaid expenses represent payments of certain expenses, which benefit a future reporting period. These expenses are recognized and included in the appropriate functional expense accounts in the subsequent period.

Property and Equipment

The Council records newly acquired real and personal property and major improvements at cost and donated property at fair market value. The Council calculates depreciation on fixed assets using the straight-line method over the estimated useful lives, which are as follows:

	<u>Years</u>
Building and improvements	5 - 30
Office furniture and equipment	5 - 7
Vehicles	3 - 5

Maintenance and repairs are recorded as expenses as incurred. When assets are retired or otherwise disposed of, the cost is removed from the asset account, and the related depreciation reserve is adjusted with the difference charged to income. Depreciation expense for the year ended June 30, 2021 was \$12,429.

Accrued Annual Leave

The Council allows full-time employees to receive compensation for annual leave. Unused annual leave is accrued at year end. Employees may carry forward all hours of unused annual leave from one calendar year to the next. Upon termination of employment, the Council will compensate a full-time employee for all unused annual leave hours accumulated. Accrued annual leave for the year ended June 30, 2021 was \$3,049.

JASPER COUNTY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

1. Accounting Policies, Business Description (Continued)

Deferred Revenue

The Council can receive cost-reimbursement grant money. The revenue is recognized as the specified costs described in the grant agreements are incurred. Amounts collected in advance of incurring specified costs are reflected as deferred revenue. There was no deferred revenue recorded as of June 30, 2021.

Revenues and Support

The Council receives its contract revenue primarily from the Lowcountry Council of Governments. Contract revenue is recognized when earned.

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Council reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activity as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as without restrictions support.

The Council recognizes grants when received and considers them to be available for use without restrictions unless the grantor stipulates otherwise.

Donated Facilities and Services

The Council recognizes contribution revenue and a corresponding expense in an amount approximating the annual estimated fair value rental of the property. The Council had no in-kind donated facilities or services as of June 30, 2021.

Functional Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Expenses which can be identified with a specific program are charged directly to the program. Certain costs have been allocated among the programs and supporting services. A cost allocation method, which provides a basis for allocating administrative costs to the programs, was in effect for year ended June 30, 2020. As a result, administrative costs and fringe benefits have been allocated to the various programs based on the rate of overall program activities and the rate of direct fringe benefits by program, respectively. Depreciation and leasehold interest were allocated based on the usage of the related equipment and buildings.

JASPER COUNTY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

1. Accounting Policies, Business Description (Continued)

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Council has received a determination letter from the Internal Revenue Service stating that it is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "IRC"). However, it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). The tax years ending June 30, 2021, 2020, 2019, and 2018 are still open to audit for both federal and state purposes. The Council is not classified as a private foundation.

2. Collateralization

The Council places its cash and cash equivalents and certificates of deposit on deposit with financial institutions located in the United States. The Federal Deposit Insurance Corporation (FDIC) covers \$250,000 for all depository accounts per financial institution. The Council, from time to time, may have amounts on deposit in excess of the insured limits. As of June 30, 2021, the Council's cash and cash equivalents had a carrying value of \$151,044 and bank balance of \$161,690. All the Council's balances were insured with the FDIC as of June 30, 2021.

3. Liquidity and Availability

Financial assets available for general expenditure, this is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 151,044
Accounts receivable	23,950
	<u>\$ 174,994</u>

The Council's liquidity management plan is to invest cash in excess of daily requirements demand deposit accounts with the highest interest rate.

JASPER COUNTY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

4. Fair Value

Information about the fair value of financial instruments for which it is practical to estimate that value, whether or not recognized in the Statements of Financial Position, is required to be disclosed. Fair value is determined using various methods and assumptions.

The following methods and assumptions were used to estimate the fair value for the classification within the financial statements:

- Cash and investments - fair value approximates the carrying value due to the short maturity of these financial instruments.

When quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regard, the derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases could not be realized in immediate settlement of the instrument.

The following levels of input for measurement of fair value have been defined to assist the user in evaluating the fair value disclosure information:

Level 1	Quoted prices in an active market for identical assets or liabilities.
Level 2	Other quoted prices in active markets for similar assets or liabilities, quoted prices for identical assets or liabilities in markets that are not active for transactions or availability of information, other observable sources of information, and information derived principally from or corroborated from observable sources of information.
Level 3	Unobservable sources of information, primarily management's assumptions about potential market participants.

The estimated fair values of the Council's financial instruments are as follows and are included in the statement of financial position under similar descriptions:

	Level	Carrying Value	Fair Value
Financial assets			
Cash	1	\$ 151,044	\$ 151,044

Certain financial instruments and all nonfinancial instruments are excluded from the fair value disclosure requirements. Accordingly, the aggregate fair value amounts presented do not necessarily represent the value of the Council.

JASPER COUNTY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

5. Property and Equipment

Property and equipment consisted of the following as of June 30, 2021:

Land	\$	130,835
Building and improvements		570,959
Office furniture and equipment		71,427
Vehicles		41,463
Less: accumulated depreciation		(348,881)
Net property and equipment	\$	<u>465,803</u>

6. Concentrations and Contingencies

During the year ended June 30, 2021 the Council received 58% of total support from the LCOG and 19% of total support from Jasper County. The Council must apply for annual renewal of these contracts and funding is subject to both increases and decreases at the discretion of LCOG and the County. A reduction in this level of support could have a material effect on the Council's programs and activities.

7. Lease Commitments

The Council has an operating lease on a vehicle with the State of South Carolina, which expires only upon notice of the State of South Carolina. The operating lease requires monthly payments of \$0.29 per mile driven in the prior month. There are no future minimum lease payments required due the payments being based on mileage used. Total operating expense for the year ended June 30, 2021 was \$28,574.

In December 2008, the Council entered a lease agreement for contributed facilities for a term of 50 years. The Council may cancel the lease at any time with a 30-day notice. The lease is renewable for another 49 years at the end of the 50-year term at the Council's discretion. See *Note 8* for further details.

8. Construction and Leasehold Interest of Senior Center

Jasper County Council on Aging, Inc. served as project sponsor for a grant awarded by the State of South Carolina to The Lowcountry Council of Governments to construct a Senior Center in Hardeeville, South Carolina.

The Hardeeville Senior Center is owned by the City of Hardeeville. Jasper County Council on Aging, Inc. has entered into a lease to use the site as a Senior Center. The lease provides that upon termination by either the landlord or the tenant, the City of Hardeeville agrees to purchase the building based upon appraised value. The State of South Carolina will have a reversionary interest provision in the lease to the extent of its \$350,000 investment expiring at the end of 20 years.

JASPER COUNTY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

8. Construction and Leasehold Interest of Senior Center (Continued)

In December of 2008 Jasper County Council on Aging, Inc. received a contribution of leasehold rights for 3,150 square feet of space for a 50-year term. The organization's monthly rent under a signed lease agreement is \$10 per year. The present value of the fair market rent of \$2,250 per month over the lease term, which was determined using a 5 percent discount rate, was recognized as temporarily restricted support in the prior year. The amounts are as follows:

Discounted value of future leasehold rights at the time of contribution	\$ 497,439
Less: 150 months expired at June 30, 2021	<u>(124,375)</u>
Balance at June 30, 2021	373,064
Less: leasehold interest - current portion	<u>(9,950)</u>
Leasehold interest - noncurrent	<u><u>\$ 363,114</u></u>

The expected time expirations on restrictions of leasehold interests are as follows:

<u>Year Ending June 30</u>	<u>Leasehold Amount</u>	<u>Discount</u>	<u>Discounted Leasehold Rights Value</u>
2022	\$ 27,000	\$ 17,050	\$ 9,950
2023	27,000	17,050	9,950
2024	27,000	17,050	9,950
2025	27,000	17,050	9,950
2026	27,000	17,050	9,950
Thereafter	877,500	554,186	323,314
	<u>\$ 1,012,500</u>	<u>\$ 639,436</u>	<u>\$ 373,064</u>

9. Net Assets with Donor Restrictions

All the restrictions on net assets at the end of 2021 are related to leasehold interest held by the Council that is subject to the passage of time. The amount of leasehold interest that was held by the Council at the end of 2021 was \$373,064.

JASPER COUNTY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

10. Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions during 2021 by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors. Net assets were released from donor restrictions for the following purposes:

Passage of time:

General use	<u>9,950</u>
Total net assets released from restrictions	<u>\$ 9,950</u>

11. Subsequent Events

Subsequent events were evaluated through February 22, 2022 which is the date the financial statements were available for issue. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

SUPPLEMENTARY INFORMATION (UNAUDITED)

JASPER COUNTY COUNCIL ON AGING, INC.

SCHEDULE OF UNIT COSTS (UNAUDITED)

FOR THE YEAR ENDED JUNE 30, 2021

	Home Delivery Meals	Transportation	Congregate Meals	Wellness Checks	Total
Program costs before supporting services allocation	\$ 222,843	\$ 149,862	\$ 122,621	\$ -	\$ 495,326
Supporting services allocated	56,721	42,540	42,540	-	141,801
Total program costs	279,564	192,402	165,161	-	637,127
Units served	41,314	1,447	1,292	1,062	45,115
Average per unit costs	\$ 6.77	\$ 132.97	\$ 127.83	\$ -	\$ 14.12

See independent auditors' report.

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Board of Directors
Jasper County Council on Aging, Inc.
Ridgeland, South Carolina

We have audited the financial statements of Jasper County Council on Aging, Inc. (the "Council") for the year ended June 30, 2021, and we will issue our report thereon dated February 22, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 20, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Council are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Council during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements were:

- Useful lives of property and equipment

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those clearly trivial, and communicate them to the appropriate level of management. There were no misstatements identified during our audit.

The following adjustments were made at the request of the client to adjust the books and records to the GAAP basis of accounting:

- To adjust net assets to actual based on prior year report.
- To adjust fixed assets, leasehold asset, depreciation expense to actual.
- To adjust accrued salaries and accrued vacation to actual.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 22, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Council's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Council's auditors. However, these discussions occurred in the normal course of professional relationship and our responses were not a condition of our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of the Council and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

The Brittingham Group LLP

West Columbia, South Carolina
February 22, 2022

THE BRITTINGHAM GROUP, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

501 STATE STREET
POST OFFICE BOX 5949
WEST COLUMBIA, SOUTH CAROLINA 29171

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FAX: (803) 791-0834

The Board of Directors
Jasper County Council on Aging, Inc.
Ridgeland, South Carolina

In planning and performing our audit of the consolidated financial statements of Jasper County Council on Aging, Inc. (the "Council") for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements but not for the purpose of expressing an opinion on the effectiveness of its 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 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency:

Audit Adjustments

During the current year audit, it was noted that significant adjustments are being made at the end of the fiscal year by the auditors to keep financial statements from being materially misstated. Material audit adjustments were made in areas such as fixed assets, and prepaid assets.

We recommend that management review financial records to ensure that all accounts are reconciled and have proper supporting documentation before providing financial records to the auditors for audit procedures.

In addition, the following items came to our attention that we believe merits your consideration:

Segregation of Duties

One area that will always be an issue for most small and medium-sized organizations such as the Council is segregation of duties. Elimination of incompatible functions is an on-going struggle and is complicated by factors such as budget constraints and an overall small staff.

We recommend that all small and medium-sized organizations be constantly aware of the segregation of duties issue and to keep it in mind when making staffing and assignment of duties decisions.

* * * * *

This communication is intended solely for the information and use of management, the owners and others within the Council and is not intended to be and should not be used by anyone other than these specified parties.

We would be pleased to discuss the above matters or to respond to any questions, at your convenience.

The Brittingham Group LLP

West Columbia, South Carolina
February 22, 2022