2021

Marion Senior Services, Inc.

Independent Auditor's Report, Financial Statements, and Additional Information

December 31, 2021

PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

MARION SENIOR SERVICES, INC.
INDEPENDENT AUDITOR'S REPORT,
FINANCIAL STATEMENTS, AND
ADDITIONAL INFORMATION
DECEMBER 31, 2021

TABLE OF CONTENTS

Independent Auditor's Report 1-3

Statement of Financial Position 4

Statement of Activities 5

Statement of Functional Expenses 6-9

Statement of Cash Flows 10

Notes to Financial Statements 11-18

Additional Information Required by the Uniform Guidance,
Government Auditing Standards,* and *Rules of the Auditor General
Schedule of Expenditures of Federal Awards and
State Financial Assistance 19-20
Independent Auditor's Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards* 21-22
Independent Auditor's Report on Compliance for Each Major Federal
Program and State Project and on Internal Control Over
Compliance Required by the Uniform Guidance and
Chapter 10.650, *Rules of the Auditor General* 23-25
Schedule of Findings and Questioned Costs Federal Awards Programs and
State Financial Assistance Projects in Accordance with the Uniform Guidance
and the *Rules of the Auditor General* for the Year Ended December 31, 2021 26-27
Management Letter 28
Management Letter Comments 29
Management Letter Response 30

PURVIS GRAY

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Marion Senior Services, Inc.
Ocala, Florida

Opinion
We have audited the accompanying financial statements of Marion Senior Services, Inc. (a non-profit organization), which comprise the statements of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes of the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marion Senior Services, Inc. as of December 31, 2021, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Standards section of our report. We are required to be independent of Marion Senior Services, Inc. and to meet our 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 the financial statements in accordance with accounting principles generally accepted in the United States, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 Marion Senior Services, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

In performing an audit in accordance with generally accepted auditing standards, 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 Marion Senior Services, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Marion Senior Services, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and* Chapter 10.650*, Rules of the Auditor General*, is presented for purposes of additional analysis 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 and state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

To the Board of Directors of
Marion Senior Services, Inc.
Ocala, Florida

Report on Summarized Comparative Information

We have previously audited Marion Senior Services, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 27, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Purvis Gray

November 2, 2022
Ocala, Florida

MARION SENIOR SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021,
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020

ASSETS

	2021	2020
Current Assets		
Cash and Cash Equivalents	$ 2,350,687	$ 2,315,591
Grants Receivable	1,103,439	1,606,106
Accounts Receivable	67,517	154,036
Investments	368,265	306,826
Prepaid Expenses	51,962	55,729
Total Current Assets	3,941,870	4,438,288
Property and Equipment,		
Net of Accumulated Depreciation	3,239,749	3,259,815
Total Assets	$ 7,181,619	$ 7,698,103

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable	$ 175,455	$ 419,539
Accrued Expenses	201,177	185,328
Due to Community Foundation	15,000	-
Deferred Revenues	3,336	3,389
Current Portion of Accrued Legal Obligation	-	18,307
Current Portion of Obligations Under Capital Leases	9,164	9,273
Total Current Liabilities	404,132	635,836
Long-Term Liabilities		
Obligations Under Capital Leases, Net of Current Portion	12,150	21,320
Total Long-Term Liabilities	12,150	21,320
Total Liabilities	416,282	657,156
Net Assets		
Without Donor Restrictions	4,256,131	4,596,335
With Donor Restrictions	2,509,206	2,444,612
Total Net Assets	6,765,337	7,040,947
Total Liabilities and Net Assets	$ 7,181,619	$ 7,698,103

See accompanying notes.

MARION SENIOR SERVICES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021,
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	2021	2020
Support and Revenue				
Federal and State Funds	$ 5,510,700	$ 449,811	$ 5,960,511	$ 6,432,714
Client Contributions and Fees	89,875	-	89,875	73,934
Client Co-Pay	33,546	-	33,546	23,091
Other Contributions	252,047	4,258	256,305	211,216
In-Kind Contributions	265,563	-	265,563	369,662
MSS Transportation Contracts	304,316	-	304,316	94,887
Marion County Commission Funds	524,165	-	524,165	351,121
United Way	83,255	-	83,255	78,380
Preferred Care Fees	31,546	-	31,546	33,655
Managed Long-Term Care	11,027	-	11,027	14,209
Other Grants	-	-	-	255,703
Interest and Dividends	1,083	-	1,083	1,658
Other Income	92,996	-	92,996	55,226
Gain on Disposition of Assets	15,892	-	15,892	10,752
Gain on Investments	61,438	-	61,438	25,733
Released from Restriction - Transportation	523,545	(523,545)	-	-
Released from Restriction - Building	65,930	(65,930)	-	-
Total Support and Revenue	7,866,924	(135,406)	7,731,518	8,031,941
Expenses				
Program Services:				
Transportation Services	3,279,498	-	3,279,498	3,175,821
Support Services Title IIIB	604,370	-	604,370	547,968
Congregate Meals Title IIIC-1	584,234	-	584,234	592,535
Home Delivered Meals Title IIIC-2	566,659	-	566,659	480,774
Family Caregiver Support Title IIIE	145,920	-	145,920	119,113
Emergency Energy Assistance Title XXVI	152,998	-	152,998	133,138
Community Care for the Elderly	998,546	-	998,546	962,318
Alzheimer's Disease Initiative	335,608	-	335,608	258,011
Home Care for the Elderly	58,521	-	58,521	46,153
Local Services Program	27,185	-	27,185	20,745
CDBG Service Facility	50,033	-	50,033	44,448
Volunteer Program	64,276	-	64,276	11,303
Meals on Wheels	135,460	-	135,460	101,203
Preferred Care	70,949	-	70,949	53,333
Managed Long-Term Care	40,148	-	40,148	32,167
Other Program Services	74,486	-	74,486	2,106
Restricted Grants	135,336	-	135,336	130,638
Total Program Services	7,324,227	-	7,324,227	6,711,774
Management and General	682,901	-	682,901	649,882
Total Expenses	8,007,128	-	8,007,128	7,361,656
Changes in Net Assets	(140,204)	(135,406)	(275,610)	670,285
Net Assets, Beginning of Year	4,396,335	2,644,612	7,040,947	6,370,662
Net Assets, End of Year	$ 4,256,131	$ 2,509,206	$ 6,765,337	$ 7,040,947

See accompanying notes.

MARION SENIOR SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021,
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services			
	Transportation Services	Support Services Title IIIB	Congregate Meals Title IIIC-1	Home Delivered Meals Title IIIC-2
Expenses				
Salaries and Benefits	$ 1,740,931	$ 161,294	$ 158,335	$ 201,523
In-Kind Salaries	-	-	-	2,250
Travel	1,059	1,073	11,971	57,315
Building Space	23,466	2,040	7,612	3,306
In-Kind Building Space	-	68,869	44,069	70,765
Communications and Utilities	28,814	2,737	13,485	4,202
Printing and Supplies	27,001	605	1,671	1,882
Meals	-	-	316,003	194,559
Emergency Energy Assistance	-	-	-	-
Equipment	20,218	304	386	543
Insurance	199,989	2,037	5,933	3,987
Fuel	326,775	-	-	-
Vehicle Expenditures	259,541	-	-	-
Service Subcontracts	82,882	357,001	-	-
Other Indirect Costs	69,516	8,410	22,651	24,865
Depreciation	499,306	-	2,118	1,462
Total Expenses	$ 3,279,498	$ 604,370	$ 584,234	$ 566,659

See accompanying notes.

Program Services					
Family Caregiver Support Title IIIE	**Emergency Energy Assistance Title XXVI**	**Community Care for the Elderly**	**Alzheimer's Disease Initiative**	**Home Care for the Elderly**	**Local Services Program**
$ 39,980	$ 30,224	$ 253,416	$ 62,772	$ 43,697	$ 10,676
14,591	-	56,019	-	-	-
98	40	11,988	105	319	18
586	307	5,636	1,434	481	136
-	-	-	-	-	-
555	7	8,386	1,543	6,763	130
156	37	2,683	727	23	29
-	-	38,236	1,322	-	-
-	116,523	-	-	-	-
96	56	667	115	5	26
738	-	9,875	263	26	36
-	-	-	-	-	-
-	-	-	-	-	-
86,371	5,780	583,948	265,321	7,223	15,564
2,749	24	24,599	2,006	(16)	570
-	-	3,093	-	-	-
$ 145,920	$ 152,998	$ 998,546	$ 335,608	$ 58,521	$ 27,185

See accompanying notes.

MARION SENIOR SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021,
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services				
	CDBG Service Facility	Volunteer Program	Meals on Wheels	Preferred Care	Managed Long-Term Care
Expenses					
Salaries and Benefits	$ -	$ 54,632	$ 63,333	$ 34,549	$ 13,596
In-Kind Salaries	-	-	9,000	-	-
Travel	-	12	16,293	7,886	5,484
Building Space	-	791	1,671	886	414
In-Kind Building Space	-	-	-	-	-
Communications and Utilities	-	771	1,451	1,027	390
Printing and Supplies	-	5,069	531	176	41
Meals	-	-	34,376	18,380	18,599
Emergency Energy Assistance	-	-	-	-	-
Equipment	-	34	139	96	21
Insurance	-	1,266	1,433	509	59
Fuel	-	-	100	-	-
Vehicle Expenditures	-	-	34	-	-
Service Subcontracts	-	-	653	693	-
Other Indirect Costs	-	1,701	5,898	6,747	1,544
Depreciation	50,033	-	548	-	-
Total Expenses	$ 50,033	$ 64,276	$ 135,460	$ 70,949	$ 40,148

See accompanying notes.

Program Services					
Other Program Services	**Restricted Grants**	**Total Program Services**	**Management and General**	**2021 Totals**	**2020 Totals**
$ -	$ -	$ 2,868,958	$ 489,376	$ 3,358,334	$ 3,081,273
-	-	81,860	-	81,860	166,141
-	-	113,661	-	113,661	96,520
-	-	48,766	9,006	57,772	31,254
-	-	183,703	-	183,703	203,521
-	-	70,261	10,096	80,357	73,374
802	-	41,433	25,698	67,131	91,535
70,006	135,336	826,817	-	826,817	797,666
1,306	-	117,829	-	117,829	99,065
-	-	22,706	8,377	31,083	20,661
-	-	226,151	31,543	257,694	219,886
-	-	326,875	-	326,875	238,823
-	-	259,575	-	259,575	237,434
-	-	1,405,436	-	1,405,436	1,154,204
2,372	-	173,636	90,974	264,610	330,721
-	-	556,560	17,831	574,391	519,578
$ 74,486	$ 135,336	$ 7,324,227	$ 682,901	$ 8,007,128	$ 7,361,656

See accompanying notes.

MARION SENIOR SERVICES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021,
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	2021	2020
Cash Flows from Operating Activities		
Receipts From Contributions and Other Miscellaneous Revenues	$ 657,513	$ 125,795
Receipts from Contracts, Grants, and Service Fees	7,540,908	7,156,755
Receipts From Investment Income	1,082	1,659
Payments for Salaries and Related Expenses	(3,424,345)	(3,211,099)
Payments for Vendors and Suppliers	(4,232,860)	(3,328,522)
Net Cash Provided by (Used in) Operating Activities	542,298	744,588
Cash Flows from Investing Activities		
Proceeds from Sale of Fixed Assets	15,793	-
Purchase of Equipment	(495,409)	(494,400)
Net Cash Provided by (Used in) Investing Activities	(479,616)	(494,400)
Cash Flows from Financing Activities		
Payments on Capital Leases	(9,279)	(8,805)
Payment on Legal Obligation	(18,307)	(20,000)
Net Cash Provided by (Used in) Financing Activities	(27,586)	(28,805)
Net Increase in Cash and Cash Equivalents	35,096	221,383
Cash and Cash Equivalents, Beginning of Year	2,315,591	2,094,208
Cash and Cash Equivalents, End of Year	$ 2,350,687	$ 2,315,591
Supplemental Disclosure of Cash Flow Information		
Cash Paid During the Year for Interest	$ 1,717	$ 1,942
Supplemental Disclosure of Non-Cash Investing and Financial Activities		
Non-cash investing activities include non-cash assistance from the Florida Department of Transportation for Vehicles.	$ 74,709	$ 585,105
Non-cash activities include in-kind donations of volunteer hours and building space.	$ 265,203	$ 369,517

See accompanying notes.

MARION SENIOR SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Note 1 - Summary of Significant Accounting Policies

Organization

Marion Senior Services, Inc. (Senior Services) is a non-profit organization organized under the laws of the State of Florida on September 5, 1973. Senior Services was established to provide a variety of services to elderly, disabled, and disadvantaged persons in Marion County, Florida. Senior Services receives a substantial portion of its revenue as a sub-recipient from state and federal grants passed through Elder Options also serving as Mid-Florida Area Agency on Aging. Senior Services is governed by a Board of Directors (the Board) made up of individuals who are nominated by a nominating committee and elected by the Board.

Basis of Accounting

Senior Services uses the accrual basis of accounting. Federal, state, and local government and public grants are recorded as support when performance occurs under the terms of the grant agreement.

Revenues and contributions received are recorded as with or without donor restrictions support depending on the existence and/or nature of any donor restrictions. Restricted revenues and contributions are reported as an increase in unrestricted net assets if the restriction is met in the reporting period in which the revenues and contributions are received.

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of Senior Services and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and Chapter 10.650, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Financial Statement Presentation

Financial statement presentation follows *Accounting Standards Codification* (ASC) 958-205, *Financial Statements of Not-For-Profit Organizations*. Under ASC 958-205, Senior Services is required to report information regarding its financial position and activities as follows:

- Without Donor Restrictions
- With Donor Restrictions

Without Donor Restrictions

Net assets that are not subject to donor-imposed stipulations.

With Donor Restrictions

Net assets subject to donor-imposed stipulations that may or will be met either by actions of Senior Services and/or passage of time. When a restriction expires, with donor restriction, assets are reclassified to without donor restrictions, and reports in the statement of activities as net assets released from restrictions.

Allocation of Expenditures
The costs of providing the various programs and other activities have been detailed in the statement of functional expenses. Salaries and other expenses which are associated with a specific program are charged directly to that program. Salaries and other expenses which benefit more than one program are allocated to the various programs based on the relative benefit provided. Management and general expenses are allocated to the programs based on various allocation methods which meet federal and state guidelines for management and general expense allocation.

Property, Equipment, and Depreciation
Senior Services follows the practice of capitalizing at cost all expenditures for property and equipment in excess of $1,000. Property and equipment restricted for federal and state purposes are stated at cost at date of acquisition. Depreciation expense is computed using the straight-line method over the estimated useful life of the asset (see Note 5).

Donated Space and Services
All in-kind contributions are considered to be available for unrestricted use, unless specifically restricted by the donor, and have been treated as in-kind contributions for purposes of meeting federal or state matching requirements. Volunteer home delivered meals drivers are used for the Title IIIC-2, CCE, and Meals on Wheels programs. Volunteer senior companions are used for the CCE and Title IIIE programs. Volunteer services of $81,860 are recorded at values consistent with those amounts that would be paid to salaried personnel for similar services. Donated building space is used for the Title IIIB, C-1, and C-2 programs. Donated building space of $183,703 is recorded based on the appraised value provided by a real estate agent. Senior Services also has volunteers serving as assistant site managers, site aides, and program aides. Such contributed services do not meet the criteria for recognition of contributed services contained in generally accepted accounting principles and, accordingly, are not reflected in the accompanying financial statements.

Income Taxes
Senior Services is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Accordingly, the financial statements do not reflect a provision for income taxes. Senior Services is no longer subject to federal and state examinations by tax authorities for years before 2018. Interest and penalties assessed to Senior Services as a result of federal and state income tax positions are recorded as an operating expense. For the year ended December 31, 2021, there were no interest or penalties recorded in the accompanying financial statements.

Cash and Cash Equivalents
For the purposes of the statement of cash flows, cash equivalents include all highly liquid investments purchased with a maturity of three months or less. Cash and cash equivalents consist primarily of money market and checking accounts.

The checking and money market accounts are covered by the Federal Deposit Insurance Corporation up to $250,000. The uninsured balance in the checking accounts at December 31, 2021, is $1,144,177.

Investments
In 2013 and 2015, Senior Services received donations of securities which were recorded at fair value as of the date the donation was received.

Revenue Recognition
Senior Services receives substantially all of its grant and contract revenue from federal and state agencies. Senior Services recognizes revenues over the service period of those contracts, or to the extent that the grant expenses have been incurred. Revenue recognition depends on the contract. No amounts were received in advance under federal or state grants during 2021. Granting agencies may, at their discretion, request reimbursement for expenses, return of funds, or both as a result of non-compliance with the terms of the grant agreement.

Senior Services recognizes contributions when cash is received or when assets are donated. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor or granting agency. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, Senior Services reports the support as without donor restrictions.

Copays for Community Care for the Elderly and the Alzheimer's Disease Initiative programs are charged to clients based on income level. These programs provide services to clients, including respite, companion care, home health, and in-home support. Fees are collected at the time of service or are billed and recognized as revenue once the services have been rendered.

Preferred care fees are for meals for clients. The fees are flat fees which are charged to clients who do not qualify for any other programs, the fees are on a sliding scale based on individual monthly income. Fees are collected at the time of service or are billed and recognized as revenue once the services have been rendered.

Transportation fees are determined based on the trip rate schedule. Fees are collected at the time of service or are billed and recognized as revenue once the services have been rendered.

Receivables
Receivables are recorded by Senior Services for funds to be received from various sources, including federal and state grants. An allowance for uncollectible receivables has not been recorded, as all amounts are deemed collectible.

Accounting Estimates
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.

Fair Value of Financial Instruments
Unless otherwise indicated, the fair value of all reported assets and liabilities which represent financial instruments approximate the carrying value of such amounts.

Prior Period Information
The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Certain prior-year amounts may have been reclassified to conform to current year financial reporting and to facilitate comparison of financial data. Accordingly, such information should be read in conjunction with Senior Services' financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Accounting Pronouncement Issued But Not Yet Adopted
In February 2016, the Financial Accounting Standards Board issued ASC 842, *Leases*. The new standard establishes a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the matter of expense recognition in the income statement. The new standard is effective for years beginning after December 15, 2021. A modified retrospective transition approach is required for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. Senior Services is currently evaluating the impact of its pending adoption of the new standard on its financial statements.

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents are comprised of the following at December 31, 2021:

Petty Cash	$ 220
Checking Accounts	1,393,957
Money Market Accounts	956,510
Total	$ 2,350,687

Note 3 - Fair Value Measurements and Investments

Investments measured at fair value on a recurring basis consist of the following at December 31, 2021:

		Fair Value Measurements as of December 31, 2021, Using
	Fair Value	Quoted Prices In Active Markets for Observable Assets (Level 1)
Cash	$ 8,283	N/A
Stock Equities	262,790	$ 262,790
ETFs and Closed-End Funds	97,192	97,192
Total Investments	$ 368,265	$ 359,982

Level 1
Senior Services will value such assets (liabilities) using quoted market prices in active markets for identical assets (liabilities) to the extent possible.

Note 4 - Retirement Plan

Senior Services participates in a voluntary retirement annuity 403(b) Plan (the Plan) for eligible employees through Principal Financial Group. All employees are eligible for participation in the Plan after a period of twelve months and a minimum of 1,000 hours of service during the twelve-month period. Five percent (5%) of each eligible employee's salary is contributed by Senior Services to the Plan. During the year ended December 31, 2021, Senior Services contributed $99,062 to the Plan for covered employees.

Note 5 - Property, Equipment, and Accumulated Depreciation

The following is a schedule of changes in property and equipment owned by Senior Services:

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Preferred Care	$ 1,298	$ 260	$ -	$ 1,558
Meals on Wheels	6,139	292	-	6,431
Service Facility	115,361	-	-	115,361
General Use	158,607	-	(11,729)	146,878
CCE General Administration	33,510	2,401	-	35,911
Alzheimer's Disease Initiative	2,022	227	-	2,249
Community Care for Disabled Adults	152	-	-	152
Title IIIB	11,396	909	-	12,305
Title IIIC-1	44,195	1,038	-	45,233
Title IIIC-2	20,721	974	-	21,695
Title IIIE	1,657	325	-	1,982
Title IIIEF	1,520	-	-	1,520
Local Services Program	354	65	-	419
CDBG Service Facility	2,376,423	54,178	-	2,430,601
Transportation Services	4,439,564	493,461	-	4,933,025
Volunteer Program	1,200	195	-	1,395
(Accumulated Depreciation)	(3,954,304)	(574,391)	11,729	(4,516,966)
Total	$ 3,259,815	$ (20,066)	$ -	$ 3,239,749

Senior Services also retains property and equipment whose acquisition has been funded by various federal and state programs. The title for the equipment remains with the federal and state grantor. The use, removal, or replacement of the equipment is controlled by the granting agency. Titles for vehicles purchased with funds from the Florida Department of Transportation and the State of Florida Commission for the Transportation Disadvantaged are transferred to Senior Services after 5 years and/or 200,000 miles. Any funds received from the disposition of these older vehicles must be used in the Transportation program. Senior Services, as custodian of the equipment, maintains a physical record of the equipment as a net asset with donor restrictions. Senior Services' service facility in Ocala, Florida was funded with a Community Development Block Grant (CDBG) through Marion County for $1,777,900 and with unrestricted funds. This property is subject to a lien for 30 years or until CDBG funds are repaid. The land

was donated to Senior Services by the City of Ocala. The portion of the building purchased with CDBG funds is included as a net asset with donor restrictions. An additional CDBG was received in 2020 for $200,000 from Marion County to fund the expansion of the lobby, board room, and congregate meal dining area to serve low to moderate-income at-risk seniors. This property is subject to a lien until September 30, 2026, or until the CDBG funds are repaid.

Note 6 - Obligations Under Capital Leases

Senior Services entered into a capital lease for one color copier which expires in 2023. In 2019, Senior Services traded in two copiers with lease obligations that were expiring in 2020 and entered into a capital lease agreement for three new copiers. Each asset and liability under the capital lease is recorded at the lower of the present value of the minimum lease payments or the fair market value of the asset. The gross cost and accumulated depreciation of the assets held under the capital lease is $48,800 and $29,828, respectively, at December 31, 2021. The assets are being depreciated over the term of the lease. Depreciation of assets held under the capital lease is included in depreciation expense.

Minimum future lease payments under the capital lease as of December 31, 2021, for each of the next five years and in the aggregate are:

Year	Capital Leases
2022	$ 10,748
2023	8,152
2024	5,286
Total Future Minimum Lease Payments	24,186
Less: Amount Representing Interest	(2,872)
Present Value of Net Minimum Lease Payments	$ 21,314

The total present value of net minimum lease payments of $21,314 is presented in the accompanying financial statements as $9,164 as the current portion and $12,150 as the long-term portion.

The interest rate included on the capitalized lease is 5.07%. The amount of interest cost incurred was $1,717 in 2021, all of which was charged to operations.

Note 7 - Accrued Legal Obligation

During 2011, Senior Services settled a claim resulting from a lawsuit that was filed against the organization in a prior year. Terms of the agreement include payment of $25,000 in 2011 and annual payments of $20,000 for ten years beginning September 30, 2012, with the future payments being discounted. The last payment was made in 2021.

Note 8 - Commitments and Contingencies

Senior Services receives a substantial amount of its support from federal and state governments. A significant reduction in the level of this support, if this were to occur, may have an effect on Senior Services' programs and activities. Grants require the fulfillment of certain conditions set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to grantors. Although this is a possibility, the Board deems the contingency remote, since by accepting the grants and their terms; it has accommodated the objectives of Senior Services to the provisions of the grants.

Note 9 - Operating Leases

Senior Services entered into a lease with the City of Ocala in December 2006 for the use of additional land adjacent to land owned by Senior Services for overflow parking of vehicles used for transportation. The lease began January 2007 and expired December 2011, with an automatic renewal until terminated by one of the parties. Rent of $5 was paid for the initial five-year term. Annual rent is $1 beginning in 2012. The fair value of the rent has not been determined.

In 2013, Senior Services entered into an operating lease for a credit card terminal, which expired in 2017. The lease is now month-to-month. In 2018, Senior Services entered into an operating lease for a postage machine. Total lease expense for 2021 was $795.

Note 10 - Net Assets

The detail of Senior Services net assets categories at December 31, 2021, is as follows:

Without Donor Restrictions		
Board Designated	$	180,226
Invested in Property, Plant and Equipment		981,787
Undesignated		3,094,118
Total Without Donor Restrictions	$	4,256,131
With Donor Restrictions		
Restricted Contribution	$	57,910
Invested in Property, Plant and Equipment		2,451,296
Total With Donor Restrictions	$	2,509,206

Note 11 - Liquidity and Availability of Resources

Financial assets consist of cash on deposit, investments, grants, and accounts receivable. There are no other unavailable financial assets. There are no further Board designated assets or available lines of credit to meet general expenditures within one year.

Financial Assets, as of December 31, 2021	$ 3,758,732
Less Those Unavailable for General Expenditures Within One Year:	
Restricted for Grant Programs	(57,910)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 3,700,822

Senior Services main expenses are for operations of programs. All programs receive grant funding which is paid either on a reimbursement basis or by units of service.

Note 12- Subsequent Events

Marion Senior Services has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through November 2, 2022, the date the financial statements were available to be issued.

ADDITIONAL INFORMATION REQUIRED BY THE UNIFORM GUIDANCE,
GOVERNMENT AUDITING STANDARDS,* AND *RULES OF THE AUDITOR GENERAL

MARION SENIOR SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2021

Grantor/Pass-Through Agency	Assistance Listing/ CSFA Number	Contract Grant Number	Expenditures
U.S. Department of Health and Human Services			
Passed Through State of Florida Department of Elder Affairs			
Through Elder Options:			
Aging Cluster:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers Program IIIB	93.044	OAA-21-MSS	$ 620,194
Special Programs for the Aging - Title III, Part C - Nutrition Services:			
Program C-1	93.045	OAA-21-MSS	396,623
Program C-2	93.045	OAA-21-MSS	652,757
Program C-1 and C-2 CARES Act	93.045	OAA-21-MSS	275,302
Nutrition Services Incentive Program	93.053	OAA-21-MSS	67,361
Total Aging Cluster			2,012,237
National Family Caregiver Support, Title III, Part E	93.052	OAA-21-MSS	116,992
COVID-19 - National Family Caregiver Support, Title III, Part E	93.052	OAA-21-MSS	18,529
Total National Family Caregiver Support, Title III, Part E			135,521
Low-Income Home Energy Assistance	93.568	EA-19-MSS	133,515
COVID-19 - Low-Income Home Energy Assistance	93.568	ECA-20-MSS	9,994
Total Low-Income Home Energy Assistance			143,509
Total U.S. Department of Health and Human Services			2,291,267
Federal Transit Administration			
Passed Through Florida Department of Transportation:			
Formula Grants for Rural Areas and Tribal Transit Program	20.509	G1V53	484,738
COVID-19 Formula Grants for Rural Areas and Tribal Transit Program	20.509	G1O88	276,200
COVID-19 Formula Grants for Rural Areas and Tribal Transit Program	20.509	G1O85	606,728
Total Formula Grants for Rural Areas and Tribal Transit Program			1,367,666
Enhanced Mobility for Seniors	20.513	N/A	74,709
Total Federal Transit Administration			1,442,375
Corporation for National and Community Service			
Passed Through State of Florida Department of Elder Affairs:			
AmeriCorps Seniors - Senior Companion Program	94.016	FSC21	1,317
Total AmeriCorps Seniors - Senior Companion Program			1,317
Total Corporation for National and Community Service			1,317
Total Expenditures of Federal Awards			$ 3,734,959

MARION SENIOR SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2021

Grantor/Pass-Through Agency	Assistance Listing/ CSFA Number	Contract Grant Number	Expenditures
Florida Department of Elder Affairs			
Community Care for the Elderly	65.010	CCE-21-MSS	$ 504,167
	65.010	CCE-20-MSS	489,722
Total Community Care for the Elderly			993,889
Alzheimer Model Day Care, Memory Disorder Clinics, and Alzheimer Special Projects	65.002	ADI-21-MSS	196,221
	65.002	ADI-20-MSS	215,736
Total Alzheimer Model Day Care, Memory Disorder Clinics, and Alzheimer Special Projects			411,957
Local Services Program	65.009	LSP-21-MSS	9,940
	65.009	LSP-20-MSS	9,559
Total Local Services Program			19,499
Home Care for the Elderly	65.001	HCE-21-MSS	13,445
	65.001	HCE-20-MSS	16,500
Total Home Care for the Elderly			29,945
Florida Department of Transportation			
Florida Commission for the Transportation Disadvantaged Trip and Equipment Grant Program	55.001	G1014	400,759
Florida Commission for the Transportation Disadvantaged Trip and Equipment Grant Program	55.001	G1X64	369,503
Total Florida Commission for the Transportation Disadvantaged Trip and Equipment Grant Program			770,262
Total Florida Department of Transportation			770,262
Total Expenditures of State Financial Assistance			2,225,552
Total Expenditures of Federal Awards and State Financial Assistance			$ 5,960,511

OTHER INFORMATION:

Significant accounting policies used in preparing the schedule of expenditures of federal awards and state financial assistance are disclosed in Note 1 beginning on page 10.

The amount of federally-supported insurance in effect during the year, and loans or loan guarantees outstanding at year-end is $0.

Marion Senior Services did not elect to use the 10% de minimis indirect cost rate of the Uniform Guidance.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Marion Senior Services, Inc.
Ocala, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Marion Senior Services, Inc. (a non-profit organization), which are comprised of the statement of financial position as of December 31, 2021, 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 November 2, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Marion Senior Services, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Marion Senior Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Marion Senior Services, Inc.'s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Directors of
Marion Senior Services, Inc.
Ocala, Florida

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marion Senior Services, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Marion Senior Services, Inc. in a separate letter dated November 2, 2022.

Purpose of this Report

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

Purvis Gray

November 2, 2022
Ocala, Florida

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, *RULES OF THE AUDITOR GENERAL*

To the Board of Directors of
Marion Senior Services, Inc.
Ocala, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project
We have audited Marion Senior Services, Inc.'s compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the requirements described in the *Florida Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of Marion Senior Services, Inc.'s major federal programs and state projects for the year ended December 31, 2021. Marion Senior Services, Inc.'s major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Marion Senior Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program and State Project
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the requirements described in the *Florida Department of Financial Services' State Projects Compliance Supplement*. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Marion Senior Services, Inc. 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 Marion Senior Services, Inc.'s compliance with the compliance requirements referred to above.

To the Board of Directors of
Marion Senior Services, Inc.
Ocala, Florida

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, *RULES OF THE AUDITOR GENERAL*

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 Marion Senior Services, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Marion Senior Services, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, it is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, and the override of internal control. Non-compliance 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 judgement made by a reasonable user of the report on compliance about Marion Senior Services, Inc.'s compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, 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 Marion Senior Services, Inc.'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 Marion Senior Services, Inc.'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 Marion Senior Services, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

To the Board of Directors of
Marion Senior Services, Inc.
Ocala, Florida

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, *RULES OF THE AUDITOR GENERAL*

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, non-compliance 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 non-compliance 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.

Purvis Gray

November 2, 2022
Ocala, Florida

MARION SENIOR SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS PROGRAMS AND
STATE FINANCIAL ASSISTANCE PROJECTS
IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND
THE *RULES OF THE AUDITOR GENERAL*
FOR THE YEAR ENDED DECEMBER 31, 2021

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued:	Unmodified
Internal Control Over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Non-Compliance Material to Financial Statements Noted?	No

Federal Awards and State Projects

Internal Control over Major Programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of Auditor's Report Issued on Compliance for Major Programs:	Unmodified
Any Audit Findings Disclosed that are Required to be Reported in Accordance with CFR 200.516(A), or Chapter 10.557 for Local Government Entities, or 10.565 for Non-Profit and For-Profit Organizations?	No

Identification of Major Programs:

Federal Program or Cluster	
U.S. Department of Health and Human Services:	
Program for Aging Cluster:	
Special Programs for the Aging – Title III, Part B – Grants For Supportive Services and Senior Centers	AL No. 93.044
Special Programs for the Aging – Title III, Part C – Nutrition Services	AL No. 93.045
Nutrition Services Incentive Program	AL No. 93.053

MARION SENIOR SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS PROGRAMS AND
STATE FINANCIAL ASSISTANCE PROJECTS
IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND
THE *RULES OF THE AUDITOR GENERAL*
FOR THE YEAR ENDED DECEMBER 31, 2021

Federal Transit Administration:	
Florida Department of Transportation:	
Formula Grants for Rural Areas and Tribal Transit Program	AL No. 20.509
COVID-19 Formula Grants for Rural Areas and Tribal Transit Program	AL No. 20.509
State Projects	
State of Florida Department of Elder Affairs:	
Alzheimer Model Day Care, Memory Disorder Clinics, and Alzheimer Special Projects	CSFA No. 65.002
Community Care for the Elderly	CSFA No. 65.010
Dollar Threshold Used to Distinguish Between Type A and Type B Programs – Federal Programs	$ 750,000
Dollar Threshold Used to Distinguish Between Type A and Type B Programs – State Projects	$ 667,666
Auditee Qualified as Low-Risk Auditee Pursuant to the Uniform Guidance?	No

Other Issues

The following statement, as applicable to the situation, may be required in the Schedule of Findings and Questioned Costs:

- No summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs or state projects.

PURVIS GRAY

MANAGEMENT LETTER

To the Board of Directors of
Marion Senior Services, Inc.
Ocala, Florida

Report on the Financial Statements
We have audited the financial statements of Marion Senior Services, Inc. as of and for the fiscal year ended December 31, 2021, and have issued our report thereon dated November 2, 2022.

Auditor's Responsibility
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, *Rules of the Auditor General*.

Other Reporting Requirements
We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated November 2, 2022, should be considered in conjunction with this management letter.

Additional Matters
Section 10.654(1)(e), *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or state project amounts that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter
Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Board of Directors, and applicable management, and is not intended to be, and should not be, used by anyone other than those specified parties.

Purvis Gray

November 2, 2022
Ocala, Florida

PURVIS GRAY

MANAGEMENT LETTER COMMENTS

To the Board of Directors of
Marion Senior Services, Inc.
Ocala, Florida

During the course of our audit, the following item came to our attention, which we would like to communicate to the Marion Senior Services, Inc., a non-profit organization:

Current Year Recommendations

2021-1 - Financial Reporting and Close Process
As was reported in the previous two years, during the audit, we noted that the year-end closing routine for Marion Senior Services, Inc. was not functioning. A functioning year-end closing routine should clearly identify tasks that are necessary for a timely year-end close and preparation of year-end financial schedules for audit. As the internal finance department did not have this process in place, management subsequently hired a CPA firm to assist with closing out the records, which delayed the start of the audit until they were able to complete the process. There were a number of journal entries that were required to accurately report year-end financial information.

To improve Marion Senior Services, Inc.'s year-end closing routine and financial reporting process, we believe that specific attention should be given to the following items:

- Creation of closing routines and timetables.
- Improved timeliness of balance sheet account reconciliations and general ledger review for accounts receivable and revenue, fixed assets, investments, prepaid, and capital leases.
- Development of a review and approval process for journal entries in a timely manner.

If a documented period-end closing routine is utilized, the year-end closing process will be easier and quicker to complete, and will improve the quality and timeliness of the financial reporting process.

Purvis Gray

November 2, 2022
Ocala, Florida

Marion Senior Services
MEALS • TRANSIT • IN-HOME SUPPORT

1101 S.W. 20th Court
Ocala, FL 34471
Office (352) 620-3501
Fax (352) 629-6122
www.marionseniorservices.org

"assisting the elderly, disabled and disadvantaged residents of Marion County to maintain independent living status"

To the Board of Directors
Marion Senior Services, Inc.
Ocala, FL

Response to Management Letter 2021

Marion Senior Services (MSS) acknowledges and accepts the recommendations provided related to the financial reporting and closing process that has been reported over the last three years. As noted in previous years, our internal financial department has struggled to find the proper personnel and leadership to implement the recommended changes. Therefore, MSS has hired James Moore to assist in bringing our financial processes current and has also welcomed back our previous accountant as Finance Director

To execute the recommendations provided by the auditor, we will work together with James Moore to establish a monthly closing routine including a timetable for reviewing reconciliations for cash, fixed assets, prepaid accounts, as well as reviewing journal entries in a timely manner. We will work toward ensuring that year-end financial schedules for the audit are prepared in advance of the start of fieldwork.

As always, Marion Senior Services is dedicated to the improvement of quality work and the timeliness of the financial reporting process.