

ALLIANCE FOR AGING, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

ALLIANCE FOR AGING, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Alliance for Aging, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Alliance for Aging, Inc., which comprise the statement of financial position as of December 31, 2019, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Alliance for Aging, Inc. as of December 31, 2019, 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.

Other Matters

Other 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); 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. Such 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 accompanying 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2020, on our consideration of Alliance for Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Alliance for Aging, Inc.'s internal control over financial reporting and compliance.

Marcum LLP

Miami, FL
August 25, 2020

ALLIANCE FOR AGING, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2019

Assets

Current Assets

Cash and cash equivalents	\$ 1,573,711
Grants, contracts and other receivables	6,345,339
Prepaid expenses and other current assets	<u>363,368</u>

Total Current Assets \$ 8,282,418

Investments 693,828

Fixed Assets, Net --

Total Assets \$ 8,976,246

Liabilities and Net Assets

Current Liabilities

Accounts payable and accrued expenses	\$ 440,500
Due to provider agencies	5,410,960
Deferred revenue	<u>305,119</u>

Total Current Liabilities \$ 6,156,579

Net Assets

Without donor restrictions 2,819,667

Total Liabilities and Net Assets \$ 8,976,246

The accompanying notes are an integral part of these financial statements.

ALLIANCE FOR AGING, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2019

Revenue, Gains and Other Support

Government grants and contracts	\$ 41,298,965
Other public support	513,559
Investment gains, net	<u>95,833</u>

Total Revenue, Gains and Other Support \$ 41,908,357

Expenses

Program services	39,839,556
Supporting services:	
Management and general	1,506,645
Fundraising	<u>83,618</u>

Total supporting services 1,590,263

Total Expenses 41,429,819

Change in Net Assets - Without Donor Restrictions 478,538

Net Assets - Without Donor Restrictions - Beginning 2,341,129

Net Assets - Without Donor Restrictions - Ending \$ 2,819,667

The accompanying notes are an integral part of these financial statements.

ALLIANCE FOR AGING, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2019

	Older Americans Act	Elder Abuse Prevention	Aging Resource Center	Medicaid Waiver Specialist	Community Care for the Elderly	Home Care for the Elderly	Emergency Home Energy Assistance Program	Alzheimer's Disease Initiative	RELIEF	SHINE	Subtotal
Expenses											
Salaries	\$ 779,517	\$ 14,902	\$ 685,798	\$ 172,374	\$ 281,573	\$ 95,486	\$ 120,975	\$ 16,199	\$ 10,737	\$ 56,288	\$ 2,233,849
Payroll taxes and benefits	225,333	5,346	239,483	42,339	87,062	28,138	30,332	2,678	3,213	17,609	681,533
Total Salaries, Payroll Taxes and Benefits	<u>1,004,850</u>	<u>20,248</u>	<u>925,281</u>	<u>214,713</u>	<u>368,635</u>	<u>123,624</u>	<u>151,307</u>	<u>18,877</u>	<u>13,950</u>	<u>73,897</u>	<u>2,915,382</u>
Sub-contractors (provider agencies)	17,350,018	--	--	--	6,591,595	2,080,760	296,803	2,262,436	119,319	--	28,700,931
Rent	8,674	--	24,061	46,284	194	--	28,707	--	--	--	107,920
Consultant services	124	--	--	--	--	--	--	--	--	--	124
Equipment	18,118	2	199	(114)	1,034	88	--	--	1	1,828	21,156
Communications/postage	15,254	26	12,730	2,031	3,876	198	373	--	--	3,328	37,816
Professional fees	8,970	175	--	--	2,783	--	--	--	--	790	12,718
Other expenses	4,740	147	1,918	487	1,624	316	406	84	32	7,914	17,668
Printing/supplies	7,340	--	--	--	310	--	1,827	--	--	8,433	17,910
Provision for doubtful accounts	--	--	--	--	--	--	--	--	--	--	--
Travel	640	5	--	--	--	--	--	--	--	10,959	11,604
Insurance	3,346	21	1,031	446	1,160	138	--	--	11	608	6,761
Maintenance and repair	9,371	13	--	180	1,732	120	--	--	7	1,417	12,840
Special events and decorations	--	--	--	--	--	--	--	--	--	--	--
Advertising	--	630	--	--	--	--	7,846	--	--	--	8,476
Licenses, fees and taxes	--	--	--	--	--	--	--	--	--	--	--
Dues and subscriptions	--	--	--	--	--	--	--	--	--	--	--
Total Other Expenses	<u>17,426,595</u>	<u>1,019</u>	<u>39,939</u>	<u>49,314</u>	<u>6,604,308</u>	<u>2,081,620</u>	<u>335,962</u>	<u>2,262,520</u>	<u>119,370</u>	<u>35,277</u>	<u>28,955,924</u>
Total Expenses	<u>\$ 18,431,445</u>	<u>\$ 21,267</u>	<u>\$ 965,220</u>	<u>\$ 264,027</u>	<u>\$ 6,972,943</u>	<u>\$ 2,205,244</u>	<u>\$ 487,269</u>	<u>\$ 2,281,397</u>	<u>\$ 133,320</u>	<u>\$ 109,174</u>	<u>\$ 31,871,306</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

ALLIANCE FOR AGING, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
(CONTINUED)**

FOR THE YEAR ENDED DECEMBER 31, 2019

	Subtotal	Medicare	Local	Florida SHINE	Non-DOEA	Total	Supporting Services			Total
		Improvements For Patients and Provider Act (MIPPA)		Program Senior Medicare Patrol (SMP)			Programs	Management and General	Fund Raising	
Expenses										
Salaries	\$ 2,233,849	\$ 69,866	\$ 18,977	\$ 29,072	\$ 192,375	\$ 2,544,139	\$ 895,584	\$ --	\$ 895,584	\$ 3,439,723
Payroll taxes and benefits	681,533	15,308	5,387	9,678	65,158	777,064	244,774	--	244,774	1,021,838
Total Salaries, Payroll Taxes and Benefits	2,915,382	85,174	24,364	38,750	257,533	3,321,203	1,140,358	--	1,140,358	4,461,561
Sub-contractors (provider agencies)	28,700,931	--	6,055,211	--	1,076,748	35,832,890	--	--	--	35,832,890
Rent	107,920	834	--	--	249,474	358,228	40,474	--	40,474	398,702
Consultant services	124	--	--	--	76,366	76,490	30,177	39,746	69,923	146,413
Equipment	21,156	124	32	180	1,617	23,109	86,631	--	86,631	109,740
Communications/postage	37,816	412	86	338	3,838	42,490	43,139	129	43,268	85,758
Professional fees	12,718	898	--	407	3,759	17,782	48,933	--	48,933	66,715
Other expenses	17,668	308	54	168	27,364	45,562	11,971	10,754	22,725	68,287
Printing/supplies	17,910	--	--	--	7,450	25,360	9,272	4,072	13,344	38,704
Provision for doubtful accounts	--	--	--	--	36,765	36,765	--	--	--	36,765
Travel	11,604	--	--	22	3,150	14,776	20,410	--	20,410	35,186
Insurance	6,761	203	69	87	792	7,912	24,170	--	24,170	32,082
Maintenance and repair	12,840	228	60	146	1,651	14,925	15,808	--	15,808	30,733
Special events and decorations	--	--	--	--	2,460	2,460	1,009	24,101	25,110	27,570
Advertising	8,476	--	--	--	4,066	12,542	4,938	3,241	8,179	20,721
Licenses, fees and taxes	--	--	--	--	4,562	4,562	14,196	1,575	15,771	20,333
Dues and subscriptions	--	--	--	--	2,500	2,500	15,159	--	15,159	17,659
Total Other Expenses	28,955,924	3,007	6,055,512	1,348	1,502,562	36,518,353	366,287	83,618	449,905	36,968,258
Total Expenses	\$ 31,871,306	\$ 88,181	\$ 6,079,876	\$ 40,098	\$ 1,760,095	\$ 39,839,556	\$ 1,506,645	\$ 83,618	\$ 1,590,263	\$ 41,429,819

The accompanying notes are an integral part of these financial statements.

ALLIANCE FOR AGING, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

Cash Flows from Operating Activities

Change in net assets		\$ 478,538
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net unrealized gains on investments	\$ (95,833)	
Provision for doubtful accounts	36,765	
Change in operating assets and liabilities:		
Grants, contracts and other receivables	264,034	
Prepaid expenses and other current assets	159,041	
Accounts payable and accrued expenses	89,834	
Due to provider agencies	(127,017)	
Deferred revenue	<u>(136,096)</u>	
Total Adjustments		<u>190,728</u>
Net Cash Provided by Operating Activities		669,266
Cash Flows from Investing Activities		
Purchases of investments	<u>(137,487)</u>	
Net Cash Used in Investing Activities		<u>(137,487)</u>
Net Change in Cash and Cash Equivalents		531,779
Cash and Cash Equivalents - Beginning		<u>1,041,932</u>
Cash and Cash Equivalents - Ending		<u>\$ 1,573,711</u>

The accompanying notes are an integral part of these financial statements.

ALLIANCE FOR AGING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE ORGANIZATION

Alliance for Aging, Inc. (the "Alliance") was established and incorporated on September 16, 1988 under the laws of the State of Florida as a not-for-profit organization. The Alliance is designated by the Department of Elder Affairs ("DOEA") as the area agency on aging for Miami-Dade and Monroe Counties. The purpose of the Alliance is to function as a regional planning, coordinating, advocating, and grants managing agency. The Alliance receives its funding principally from the DOEA.

FINANCIAL STATEMENT PRESENTATION

The financial statements of the Alliance have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Net assets, revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. The two net asset categories as reflected in the accompanying financial statements are as follows:

Without Donor Restrictions

Net assets which are free of donor-imposed restrictions; all revenues and expenses that are not changes in donor restricted net assets.

With Donor Restrictions

Net assets used by the Alliance which are limited by donor-imposed stipulations that either expire with the passage of time or that can be fulfilled or removed by actions of the Alliance pursuant to those stipulations. The Alliance had no net assets with donor restrictions as of December 31, 2019.

CASH EQUIVALENTS

All highly liquid cash investments with original maturities of three months or less are considered to be cash equivalents.

CONCENTRATIONS OF CREDIT AND MARKET RISK

Financial instruments which potentially expose the Alliance to concentrations of credit and/or market risk consist principally of cash and cash equivalents; grants, contracts, and other receivables; and investments.

ALLIANCE FOR AGING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONCENTRATIONS OF CREDIT AND MARKET RISK (CONTINUED)

Cash and Cash Equivalents

Financial instruments that potentially subject the Alliance to concentrations of credit risk include deposit accounts. The Alliance had approximately \$1,365,000 of balances in excess of insurance limits covered by the Federal Deposit Insurance Corporation as of December 31, 2019. The Alliance maintains these balances in what it believes to be high quality financial institutions, which it believes limits its risk.

Grants, Contracts and Other Receivables

Grants, contracts and other receivables consist principally of amounts due from grantor agencies pursuant to the terms of the respective grant agreements. Grants, contracts and other receivables are stated at net realizable value. Allowances are provided for amounts estimated to be uncollectible based on historical experience and any specific collection issues that the Alliance has identified. It is the Alliance's policy to charge uncollectible receivables against the allowance when management determines that the related balance will not be collected. As of December 31, 2019, the allowance for doubtful accounts was approximately \$37,000.

Investments

Investments are subject to both credit and market risks. Credit risk is the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Market risk is the possibility that fluctuations in the investment market will impact the value of the portfolio. As of December 31, 2019, the Alliance's investments consists of mutual funds. The Alliance has an investment policy and utilizes management oversight, and regularly reviews its investment portfolios to monitor and mitigate these risks.

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying statement of financial position (refer to Note 4 for fair value measurements). Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Investment income or loss (including realized and unrealized gains and losses on investments as well as interest income and dividends) is included in the accompanying statement of activities as an increase or decrease in net assets without donor restrictions unless the gains or losses are restricted by donor or law. Restricted gains and losses and investment income or loss where the restrictions are met in the same reporting period as the income is recognized are recorded as support without donor restrictions.

ALLIANCE FOR AGING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 1 – THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

FIXED ASSETS

Fixed assets valued in excess of \$5,000 with a useful life over one year are capitalized. Fixed assets are recorded at cost or, if donated, at fair value at the date of donation. Major renewals and improvements are capitalized, while repairs and maintenance expenditures are expensed as incurred. Depreciation is computed on the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are amortized over the lesser of the useful life or the term of the lease. When items are retired or otherwise disposed of, the related costs and accumulated depreciation or amortization are removed from the accounts and any resulting gains or losses are recognized.

The estimated useful lives of each asset group are as follows:

	<u>Years</u>
Computer equipment	3
Leasehold improvements	4

As of December 31, 2019, all assets were fully depreciated.

CONTRIBUTIONS

Contributions and gifts received, recorded at fair value, with no restrictions or specified uses identified by the donor are included in revenue without donor restrictions in the accompanying statement of activities when received. Contributions received with donor stipulations that limit the use of donated assets are reported as revenue with donor restrictions in the accompanying statement of activities when received.

When donor restrictions expire or are fulfilled by actions of the Alliance, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restriction. Donor restricted contributions whose restrictions are met within the same year as received are reflected as revenue without donor restrictions in the accompanying statement of activities.

GRANTS FROM GOVERNMENT AGENCIES

Grants from governmental agencies are recognized as revenue when the grant funds have been expended in accordance with the grant provisions of the respective agreements.

ALLIANCE FOR AGING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DUE TO PROVIDER AGENCIES

Pursuant to the contract with the DOEA, the Alliance provides funds to provider agencies and is responsible for the monitoring of these provider agencies. As of December 31, 2019, the Alliance has recorded a liability of approximately \$5,411,000 relating to amounts due to provider agencies in accordance with the respective grant agreements.

DEFERRED REVENUE

Deferred revenue represents advances to be used on future expenditures. Deferred revenue is recognized as revenue when the related expenditures are incurred. As of December 31, 2019, deferred revenue was approximately \$305,000.

FUND-RAISING ACTIVITIES

The Alliance's financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958 "*Accounting for Costs of Activities of Not-for-Profit Organizations and State and Local Government Entities that Included Fund Raising*". FASB ASC 958 establishes criteria for accounting and reporting for any entity that solicits contributions.

Directly identifiable fund-raising expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Alliance.

FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing the various programs and other activities is detailed on a functional basis in the statement of functional expenses. Expenses are charged directly to functions based on a combination of specific identification and allocation by management. Accordingly, certain costs have been allocated among programmatic contractual requirements and administration. These expense allocations include personnel, insurance, and equipment and space rental which are allocated based on programmatic contractual funding, programmatic need, and personnel usage.

ALLIANCE FOR AGING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONTRIBUTED GOODS AND SERVICES

Contributed goods and services are reflected in the accompanying financial statements at their estimated fair value, if reasonably determined. The contributions of services are recognized if the services received (a) create or enhance non-financial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations. For the year ended December 31, 2019, there were no significant non-cash contributions.

Services provided by volunteers throughout the year are not recognized as contributions in the accompanying financial statements since these services are not susceptible to objective measurement or valuation.

ADVERTISING

Advertising expenses are charged to expense as incurred. Advertising expenses amounted to approximately \$21,000 for the year ended December 31, 2019.

DEFERRED RENT

The Alliance records rent payments from operating leases, which generally call for escalating payments over the terms of the leases, on a straight-line basis over the lease term, as required in FASB ASC No. 840, *Leases*. The difference between the rent payments and straight-line basis of such rent is recorded as deferred rent. As of December 31, 2019, the deferred rent was insignificant.

INCOME TAXES

The Alliance is a not-for-profit organization, as described in Section 501(c)(3) of the Internal Revenue Code and as such is subject to Federal and State income taxes only on unrelated business income. There was no significant unrelated business income tax resulting from unrelated business income for the year ended December 31, 2019.

ALLIANCE FOR AGING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES (CONTINUED)

The Alliance accounts for uncertainty in income taxes in accordance with GAAP, which requires recognition in the accompanying financial statements of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Alliance had no material unrecognized tax benefits and no adjustments to its financial position, activities or cash flows were required. The Alliance does not expect that unrecognized tax benefits will increase within the next twelve months.

The Alliance did not record any interest or penalties on uncertain tax positions in the accompanying statement of financial position as of December 31, 2019 or the accompanying statement of activities for the year then ended. If the Alliance were to incur any income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes.

RECENT ACCOUNTING PRONOUNCEMENTS

On June 21, 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958) Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU applies to all entities, including business entities that receive or make contributions of cash and other assets (except for transfers of assets from government entities to business entities). This ASU provides guidance on determining whether a transaction should be accounted for as a contribution or as an exchange transaction. A primary aspect of this determination is whether the two parties receive and sacrifice commensurate value. Making this determination is important because distinguishing between contributions and exchange transactions determines which guidance is applied. For contributions, an entity should follow the guidance in FASB ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*, whereas, for exchange transactions, an entity should follow other guidance. This ASU is applicable for the Organization for its annual reporting period beginning on January 1, 2019. Effective January 1, 2019, the Organization adopted this ASU, which did not result in a significant impact on its operations.

ALLIANCE FOR AGING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, which amends the guidance relating to the definition of a lease, recognition of lease assets and liabilities on the balance sheet, and the related disclosure requirements. This ASU is applicable for the Organization for its annual reporting period beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. Earlier application is permitted; however, the Organization did not early adopt the ASU. Management is in the process of evaluating the ASU for the potential impact on its financial statements upon adoption.

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. The primary estimates used in the preparation of these financial statements include the collectability of receivables and the allocation of natural expenses among functional categories. Actual results could differ from those estimates.

SUBSEQUENT EVENTS

The Alliance has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through August 25, 2020, the date the financial statements were available to be issued. See Note 10.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Alliance is designated as an Area Agency on Aging from the state of Florida. As such, the Alliance is the sole contracted agency for the federal Older American's Act funding and the State of Florida general revenue funding for elderly direct services in Miami-Dade and Monroe Counties. The Alliance is positioned to adjust internal expenditures and subcontracted expenditures based on governmental funding levels providing the necessary cash flow and working capital. Monthly cash expenditures are relatively consistent due to

ALLIANCE FOR AGING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

the nature of the contractual relationships. In addition, the Alliance maintains a reserve investment account of over \$500,000 that is available to draw upon as needed to maintain cash flow.

In addition to the financial assets available to meet expenditures over the 12 months, the Alliance operates with a balanced budget and anticipates collecting sufficient revenues to cover expenditures. Refer to the statement of cash flows which identifies the sources and uses of the Alliance's cash for the twelve months ended December 31, 2019.

As of December 31, 2019, the following financial assets could be readily made available within one year of the balance sheet to meet general expenditures. There were no net assets with donor restrictions at December 31, 2019.

Financial Assets	
Cash and cash equivalents	\$ 1,573,711
Grants, contracts and other receivables	6,345,339
Investments	<u>693,828</u>
Total Financial Assets	<u>\$ 8,612,878</u>

ALLIANCE FOR AGING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 3 – GRANTS, CONTRACTS AND OTHER RECEIVABLES

Grants, contracts, and other receivables at December 31, 2019 are comprised of the following:

DOEA Programs

Older Americans Act - Title III	\$ 3,935,941
Local Services Program	505,895
Community Care for the Elderly	473,277
Home Care for the Elderly	400,760
Alzheimer's Senior's Initiative	380,483
Medicaid Waiver	228,554
Medicare Improvements for Patients and Providers	16,442
SHINE	11,289
Elder Abuse	4,850
SMP	4,243
Florida Health Network	2,100
Veterans Administration	221,940
Emergency Home Energy Assistance Program	79,011
Dade County	55,483
Other receivables	13,073
Relief	10,698
Health Service Advisory Group	<u>1,300</u>
Total Grants, Contracts, and Other Receivables	<u>\$ 6,345,339</u>

NOTE 4 – INVESTMENTS

Investments as of December 31, 2019 are comprised of the following:

Mutual funds - equities	<u>\$ 693,828</u>
Total Investments	<u>\$ 693,828</u>

For the year ended December 31, 2019, investment gains were approximately \$96,000, which consists principally of net unrealized gains as investment expenses were insignificant.

ALLIANCE FOR AGING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 5 – FAIR VALUE MEASUREMENTS

FAIR VALUE HIERARCHY

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under this FASB guidance are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Alliance has the ability to access at the measurement date.

Level 2

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets,
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

Level 3

Valuation is based on unobservable inputs for an asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of a market participant. Therefore, unobservable inputs reflect the assumptions that market participants would use in valuing the asset or liability, including assumptions about risk. Unobservable inputs are developed based on the best information available in the circumstances, which might include information provided by the Alliance's investment manager. The data used to develop unobservable inputs are adjusted if information is reasonably available without undue cost and effort that indicates market participants would use different assumptions. Investment types which have been valued using this approach generally include investments in investee funds that have lockups that are greater than 3 months.

ALLIANCE FOR AGING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 5– FAIR VALUE MEASUREMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

There have been no changes in the methodologies used at December 31, 2019.

Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual Funds are valued at the closing price reported in the active market in which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Alliance believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table represents the Alliance’s financial instruments measured at fair value on a recurring basis at December 31, 2019 for each of the fair value hierarchy levels:

	Assets at Fair Value			
	December 31, 2019	Level 1	Level 2	Level 3
Assets at Fair Value				
Mutual funds	\$ 693,828	\$ 693,828	\$ --	\$ --
Assets at Fair Value	<u>\$ 693,828</u>	<u>\$ 693,828</u>	<u>\$ --</u>	<u>\$ --</u>

NOTE 6 – EMPLOYEE BENEFIT PLAN

The Alliance sponsors a defined contribution retirement plan (the “Plan”) covering all eligible employees. Employees become eligible for Plan participation after completing one year of service and obtaining the age of eighteen. The Alliance makes monthly contributions equal to 8% of the participants’ eligible compensation. For the year ended December 31, 2019, the Alliance contributed approximately \$202,000 to the Plan.

ALLIANCE FOR AGING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7 - COMMITMENTS

The Alliance leases office space under a non-cancellable operating lease, as amended, which expires in September 2024. Effective August 2020, the Alliance amended the lease to obtain additional office space, which expires in August 2030. The office lease requires monthly lease payments ranging from approximately \$39,000 to \$44,000. Additionally, the Alliance also leases office equipment under non-cancelable operating leases, expiring at various dates through March 2023.

As December 31, 2019, the estimated minimum annual non-cancelable commitments on these leases are as follows:

For the Year Ending December 31,	Amount
2020	\$ 440,000
2021	510,000
2022	525,000
2023	533,000
2024	396,000
Thereafter	<u>547,000</u>
Total	<u><u>\$ 2,951,000</u></u>

Rent expense for all leases for the year ended December 31, 2019 was approximately \$399,000.

NOTE 8 - CONCENTRATIONS

The Alliance received approximately 99% of its government grant revenue from the DOEA for the year ended December 31, 2019. As the revenue from the DOEA is significant to the overall operations of the Alliance, any significant reduction or loss of funding from the DOEA may affect the Alliance's ability to operate in its present form.

Receivables from the DOEA were approximately 95% of grants, contracts and other receivables as of December 31, 2019.

ALLIANCE FOR AGING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 9 - CONTINGENCIES

The Alliance participates in Federal, state and local grant programs that are subject to audit by the respective grantor agencies. Any disallowed funds received or to be received under these programs may constitute a liability in the amount of the disallowed funds. Management does not believe that any potential disallowed funds would have a significant effect on the financial statements.

NOTE 10 – SUBSEQUENT EVENT

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a global pandemic, which continues to spread throughout the United States and around the world. The Alliance’s operational structure was adjusted to accommodate a staff to work remotely. On March 12, 2020, the Miami-Dade County Mayor announced the closure of Senior Centers through which many of the meals funded through the Alliance are distributed. Additionally, the Mayor also announced the closing of Adult Day Care Centers for which many are funded through the contracts with the Alliance. In response to COVID-19, federal legislative acts were passed during 2020 that provided an influx of additional funding to the Alliance through the Florida Department of Elder Affairs. The full impact from the effects of the COVID-19 on the Alliance is not yet known, but could have a significant impact on the operations and financial position. However, with the additional federal funding for services and administrative support, management of the Alliance does not believe there will be any adverse effect on the accompanying financial statements.

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

Board of Directors
Alliance for Aging, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Alliance for Aging, Inc. (the "Alliance"), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 25, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Alliance for Aging, 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 the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Miami, FL
August 25, 2020

**INDEPENDENT AUDITORS' 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**

Board of Directors
Alliance for Aging, Inc.

Report on Compliance for Each Major Federal Program and State Project

We have audited Alliance for Aging, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of Alliance for Aging, Inc.'s major Federal programs and State projects for the year ended December 31, 2019. Alliance for Aging, Inc.'s major Federal programs and State projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal and state statutes, regulations and the terms and conditions of its federal awards and state projects applicable to its federal programs and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Alliance for Aging, Inc.'s major Federal programs and State projects based on our audit of the types of compliance requirements referred to above. 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; 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. Those standards, Uniform Guidance, and Chapter 10.650, Rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program or State project occurred. An audit includes examining, on a test basis, evidence about Alliance for Aging, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program and State project. However, our audit does not provide a legal determination of Alliance for Aging, Inc.'s compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, Alliance for Aging, 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, 2019.

Report on Internal Control Over Compliance

Management of Alliance for Aging, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Alliance for Aging, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program and State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and State project and to test and report on internal control over compliance in accordance with Uniform Guidance and Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Alliance for Aging, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program or State project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program or State project 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 or State project 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Uniform Guidance and Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Marcum LLP

Miami, FL
August 25, 2020

ALLIANCE FOR AGING, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

FOR THE YEAR ENDED DECEMBER 31, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster	Federal CFDA Number	Contract Number	Federal Expenditures	Provided To Subrecipients
Federal Awards				
U.S. Department of Health and Human Services				
Indirect Programs Passed Through:				
Florida Department of Elder Affairs				
Aging Cluster				
Older Americans Act - Support Services Title III-B	93.044	KA019	\$ 5,976,263	\$ 4,435,817
Older Americans Act - Congregate Meals Title III-C1	93.045	KA019	5,620,951	5,077,840
Older Americans Act - Home Delivered Meals Title III-C2	93.045	KA019	<u>4,161,471</u>	<u>3,759,379</u>
Total Special Programs for Aging Title III			<u>15,758,685</u>	<u>13,273,036</u>
Nutrition Services Incentive Program	93.053	KA019	<u>1,697,120</u>	<u>1,697,120</u>
Total Nutrition Services Incentive Program			<u>1,697,120</u>	<u>1,697,120</u>
Total Aging Cluster			<u>17,455,805</u>	<u>14,970,156</u>
National Family Caregiver Support Title III-E	93.052	KA019	<u>2,211,365</u>	<u>2,092,942</u>
Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services	93.043	KA019	<u>286,920</u>	<u>286,920</u>
Programs for the Aging Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect and Exploitation	93.041	K7019	<u>21,267</u>	<u>--</u>
Low-Income Home Energy Assistance	93.568	KP018	341,125	185,279
Low-Income Home Energy Assistance	93.568	KP019	<u>146,144</u>	<u>111,524</u>
Total Low-Income Home Energy Assistance			<u>487,269</u>	<u>296,803</u>
Serving Health Insurance Needs of Elders Program	93.779	KN018	29,856	--
Serving Health Insurance Needs of Elders Program	93.779	KN019	<u>79,319</u>	<u>--</u>
Total Serving Health Insurance Needs of Elders Program			<u>109,175</u>	<u>--</u>
Medical Assistance Program	93.778	KX018	307,921	--
Medical Assistance Program	93.778	KX019	<u>306,704</u>	<u>--</u>
Total Medical Assistance Program			<u>614,625</u>	<u>--</u>
Medicare Enrollment Assistance Program	93.071	KB018	76,130	--
Medicare Enrollment Assistance Program	93.071	KB019	<u>12,050</u>	<u>--</u>
Total Medicare Enrollment Assistance Program			<u>88,180</u>	<u>--</u>
Senior Medicaid Patrol Program	93.048	KG018	14,816	--
Senior Medicaid Patrol Program	93.048	KG019	<u>25,283</u>	<u>--</u>
Total Senior Medicaid Patrol Program			<u>40,099</u>	<u>--</u>
Total U.S. Department of Health and Human Services			<u>21,314,705</u>	<u>17,646,821</u>
Total Expenditures of Federal Awards			<u>\$ 21,314,705</u>	<u>\$ 17,646,821</u>

(Continued)

See notes to the schedule of expenditures of federal awards and state financial assistance.

ALLIANCE FOR AGING, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE (CONTINUED)**

FOR THE YEAR ENDED DECEMBER 31, 2019

State Grantor/Pass-through Grantor/Program or Cluster	State CSFA Number	Contract Number	State Expenditures	Provided To Subrecipients
State Projects				
Community Care for the Elderly (CCE) 18/19	65.010	KC018	\$ 3,377,425	\$ 3,229,447
Community Care for the Elderly (CCE) - Admin 18/19	65.010	KC018	34,036	--
Community Care for the Elderly (CCE) 19/20	65.010	KC019	3,527,446	3,362,149
Community Care for the Elderly (CCE) - Admin 19/20	65.010	KC019	34,036	--
Total Community Care for the Elderly (CCE)			<u>6,972,943</u>	<u>6,591,596</u>
Aging Resource Center	65.010	KX018	61,026	--
Aging Resource Center	65.010	KX018	246,894	--
Aging Resource Center	65.010	KX019	235,716	--
Aging Resource Center	65.010	KX019	70,988	--
Total Aging Resource Center			<u>614,624</u>	<u>--</u>
Local Service Program (LSP) 18/19	65.009	KL018	3,538,557	3,538,557
Local Service Program (LSP) 18/19 - Admin	65.009	KL018	12,332	--
Local Service Program (LSP) 19/20	65.009	KL019	2,516,654	2,516,654
Local Service Program (LSP) 19/20 - Admin	65.009	KL019	12,332	--
Total Local Service Program (LSP)			<u>6,079,875</u>	<u>6,055,211</u>
Alzheimer's Disease Initiative - Respite (ADI) 18/19	65.002	KZ018	1,109,947	1,109,947
Alzheimer's Disease Initiative - Respite (ADI) 19/20	65.002	KZ019	1,171,450	1,152,489
Total Alzheimer's Disease Initiative - Respite (ADI)			<u>2,281,397</u>	<u>2,262,436</u>
Home Care for the Elderly - Services (HCE) 18/19	65.001	KH018	995,952	995,952
Home Care for the Elderly - Admin (HCE) 18/19	65.001	KH018	62,242	--
Home Care for the Elderly - Services (HCE) 19/20	65.001	KH019	1,084,807	1,084,807
Home Care for the Elderly - Admin (HCE) 19/20	65.001	KH019	62,242	--
Total Home Care for the Elderly - (HCE)			<u>2,205,244</u>	<u>2,080,760</u>
Relief - 18/19	65.006	KR018	61,089	61,089
Relief - 18/19 - Admin	65.006	KR018	7,000	--
Relief - 19/20	65.006	KR019	58,230	58,230
Relief - 19/20 - Admin	65.006	KR019	7,000	--
Total Relief			<u>133,319</u>	<u>119,319</u>
Total Florida Department of Elder Affairs			<u>18,287,402</u>	<u>17,109,322</u>
Total Expenditures of State Financial Assistance			<u>\$ 18,287,402</u>	<u>\$ 17,109,322</u>
Total Federal Awards and State Financial Assistance			<u>\$ 39,602,107</u>	<u>\$ 34,756,143</u>

See notes to the schedule of expenditures of federal awards and state financial assistance.

ALLIANCE FOR AGING, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the “Schedule”) includes the federal and state grant activity of Alliance for Aging, Inc. (the “Alliance”) for the year ended December 31, 2019. 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* (Uniform Guidance), Audits of States, Local Government, and Non-Profit Organizations and Chapter 10.650, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of the Alliance, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Alliance.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, Audits of States, Local Government, and Non-Profit Organizations and Chapter 10.650, Rules of the Auditor General, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

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

ALLIANCE FOR AGING, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued: ***UNMODIFIED OPINION***
Internal control over financial reporting:
Material weakness(es) identified? Yes X No
Significant deficiency(ies) identified Yes X None Reported
Noncompliance material to financial statement noted? Yes X No

FEDERAL PROGRAMS AND STATE PROJECTS

Internal control over major Federal programs and State projects:
Material weakness(es) identified? Yes X No
Significant deficiency(ies) identified Yes X None Reported

Type of auditors’ report issued on compliance for major Federal programs and State projects: ***UNMODIFIED OPINION***

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) and Chapter 10.650? Yes X No

Identification of major Federal programs and State projects:

NAME OF FEDERAL PROGRAM OR CLUSTER ***CFDA NUMBER***

US Department of Health and Human Services

Aging Cluster:
Special Programs for aging Title III – B (cluster) 93.044
Special Programs for Aging Title III – C (cluster) 93.045
Nutrition Services Incentive Program (cluster) 93.053

ALLIANCE FOR AGING, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION I – SUMMARY OF AUDITORS’ RESULTS (CONTINUED)

<u>NAME OF STATE PROJECT</u>	<u>CSFA NUMBER</u>
Alzheimer’s Disease Initiative (ADI)	65.001
Home Care for the Elderly (CCE)	65.002
Local Services Program (LSP)	65.009
Dollar threshold used to distinguish between Type A and Type B Federal programs:	<u>\$750,000</u>
Dollar threshold used to distinguish between Type A and Type B State projects:	<u>\$548,622</u>
Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?	<u>X</u> Yes ___ No

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL PROGRAMS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS

None. A management letter pursuant to Sections 215.97 (10)(f) and 215.97(11)(d), Florida Statutes was not reported because there were no items that were required to be reported related to Federal programs or State projects.

SECTION IV – PRIOR YEAR FINDINGS

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL PROGRAMS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS

None.