

# 2019

Marion Senior Services, Inc.

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

For Fiscal Year Ended December 31, 2019

**MARION SENIOR SERVICES, INC.  
INDEPENDENT AUDITOR’S REPORT,  
FINANCIAL STATEMENTS, AND  
ADDITIONAL INFORMATION  
DECEMBER 31, 2019**

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of financial position of Marion Senior Services, Inc. (a non-profit organization) as of December 31, 2019, and the related statements of financial position, 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.

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

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

### **Opinion**

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, 2019, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

## INDEPENDENT AUDITOR'S REPORT

### **Emphasis of a Matter – COVID-19**

As more fully described in Note 13 to the financial statements as a subsequent event, Marion Senior Services, Inc. may be operationally and financially impacted by the outbreak of the novel coronavirus (COVID-19) pandemic.

### **Report on Summarized Comparative Information**

We have previously audited the Marion Senior Services, Inc.'s 2018 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated May 22, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

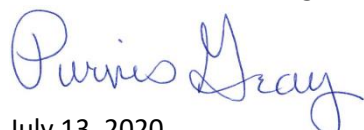
### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the basic 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. The accompanying schedule of functional expenses by program services is also 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 13, 2020, on our consideration of Marion Senior Services, 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* and should be considered in assessing the results of our audit.



July 13, 2020  
Ocala, Florida

**MARION SENIOR SERVICES, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2019,**  
**WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018**

**ASSETS**

	<b>2019</b>	<b>2018</b>
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 2,094,208	\$ 2,716,124
Grants Receivable	1,445,591	826,486
Accounts Receivable	185,413	103,918
Investments	281,094	228,104
Prepaid Expenses	53,164	54,535
<b>Total Current Assets</b>	<b>4,059,470</b>	<b>3,929,167</b>
<b>Property and Equipment,     Net of Accumulated Depreciation</b>	<b>2,699,888</b>	<b>2,558,828</b>
<b>Total Assets</b>	<b>6,759,358</b>	<b>6,487,995</b>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>		
Accounts Payable	161,634	210,662
Accrued Expenses	149,013	130,378
Deferred Revenues	3,588	3,102
Current Portion of Accrued Legal Obligation	16,757	15,338
Current Portion of Obligations Under Capital Leases	8,282	6,938
<b>Total Current Liabilities</b>	<b>339,274</b>	<b>366,418</b>
<b>Long-Term Liabilities</b>		
Accrued Legal Obligation, Net of Current Portion	20,000	40,000
Less Unamortized Discount	(1,694)	(4,937)
Obligations Under Capital Leases, Net of Current Portion	31,116	10,023
<b>Total Long-Term Liabilities</b>	<b>49,422</b>	<b>45,086</b>
<b>Total Liabilities</b>	<b>388,696</b>	<b>411,504</b>
<b>Net Assets</b>		
Without Donor Restrictions	4,327,132	4,041,125
With Donor Restrictions	2,043,530	2,035,366
<b>Total Net Assets</b>	<b>6,370,662</b>	<b>6,076,491</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 6,759,358</b>	<b>\$ 6,487,995</b>

See accompanying notes.

**MARION SENIOR SERVICES, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019,**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Without Donor Restrictions	With Donor Restrictions	2019	2018
<b>Support and Revenue</b>				
Federal and State Funds	\$ 4,436,073	\$ 397,953	\$ 4,834,026	\$ 4,884,253
Client Contributions and Fees	136,028	-	136,028	147,390
Client Co-Pay	43,833	-	43,833	86,982
Other Contributions	239,702	33,145	272,847	129,321
In-Kind Contributions	266,021	-	266,021	257,298
MSS Transportation Contracts	417,435	-	417,435	397,699
County Commission Funds	1,005,117	-	1,005,117	907,901
United Way	93,613	-	93,613	94,163
Preferred Care Fees	34,437	-	34,437	45,411
Managed Long-Term Care	25,027	-	25,027	37,613
Interest and Dividends	3,565	-	3,565	3,498
Other Income	79,985	-	79,985	61,781
Gain on Disposition of Assets	10,554	-	10,554	15,695
Net Assets Released from Restrictions:				
Satisfaction of Program Restrictions	-	-	-	-
Gain (Loss) on Investments	51,668	-	51,668	(16,842)
Released from Restriction - Transportation	59,263	(59,263)	-	-
Released from Restriction - Building	363,671	(363,671)	-	-
<b>Total Support and Revenue</b>	<b>7,265,992</b>	<b>8,164</b>	<b>7,274,156</b>	<b>7,052,163</b>
<b>Expenses</b>				
Transportation Services	3,252,078	-	3,252,078	3,295,595
Support Services Title IIIB	499,720	-	499,720	394,425
Congregate Meals Title IIIC-1	369,233	-	369,233	361,980
Home Delivered Meals Title IIIC-2	442,307	-	442,307	466,825
Family Caregiver Support Title IIIE	133,366	-	133,366	127,879
Emergency Energy Assistance				
Title XXVI	76,430	-	76,430	89,055
Community Care for the Elderly	960,008	-	960,008	1,056,324
Alzheimer's Disease Initiative	307,692	-	307,692	333,030
Home Care for the Elderly	49,632	-	49,632	52,878
Local Services Program	20,673	-	20,673	21,371
Community Care for Disabled Adults	-	-	-	1,019
CDBG Service Facility	44,448	-	44,448	44,448
Volunteer Program	8,790	-	8,790	8,296
Meals on Wheels	110,435	-	110,435	122,772
Preferred Care	59,468	-	59,468	61,491
Managed Long-Term Care	34,758	-	34,758	41,963
Other Program Services	5,044	-	5,044	13,044
Management and General	605,903	-	605,903	508,852
<b>Total Expenses</b>	<b>6,979,985</b>	<b>-</b>	<b>6,979,985</b>	<b>7,001,247</b>
<b>Changes in Net Assets</b>	<b>286,007</b>	<b>8,164</b>	<b>294,171</b>	<b>50,916</b>
<b>Net Assets, Beginning of Year</b>	<b>4,041,125</b>	<b>2,035,366</b>	<b>6,076,491</b>	<b>6,025,575</b>
<b>Net Assets, End of Year</b>	<b>\$ 4,327,132</b>	<b>\$ 2,043,530</b>	<b>\$ 6,370,662</b>	<b>\$ 6,076,491</b>

See accompanying notes.

**MARION SENIOR SERVICES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019,**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Transportation Services</b>	<b>Support Services Title IIIB</b>	<b>Congregate Meals Title IIIC-1</b>	<b>Home Delivered Meals Title IIIC-2</b>
<b>Expenses</b>				
Salaries and Benefits	\$ 1,913,387	\$ 136,220	\$ 153,204	\$ 154,825
In-Kind Salaries	-	-	-	26,463
Travel	6,152	6,130	5,192	43,577
Building Space	15,316	1,084	3,593	1,949
In-Kind Building Space	-	50,409	39,188	21,240
Communications and Utilities	31,235	2,152	21,440	3,857
Printing and Supplies	46,718	465	3,088	2,806
Meals	-	-	130,719	176,310
Emergency Energy Assistance	-	-	-	-
Equipment	3,212	2,104	978	2,148
Insurance	140,456	221	5,526	608
Fuel	327,187	-	-	-
Vehicle Expenditures	238,226	-	-	-
Service Subcontracts	-	299,922	-	-
Other Indirect Costs	141,010	1,013	4,328	6,053
Depreciation	389,179	-	1,977	2,471
<b>Total Expenses</b>	<b>\$ 3,252,078</b>	<b>\$ 499,720</b>	<b>\$ 369,233</b>	<b>\$ 442,307</b>

See accompanying notes.

<b>Family Caregiver Support Title III E</b>	<b>Emergency Energy Assistance Title XXVI</b>	<b>Community Care for the Elderly</b>	<b>Alzheimer's Disease Initiative</b>	<b>Home Care for the Elderly</b>	<b>Local Services Program</b>
\$ 25,161	\$ 14,660	\$ 141,828	\$ 53,961	\$ 32,215	\$ 5,341
13,152	-	106,568	-	-	-
96	214	8,581	849	908	29
204	-	1,996	564	260	52
-	-	-	-	-	-
353	23	3,662	971	436	92
113	14	818	174	55	32
-	-	44,041	-	-	-
-	60,975	-	-	-	-
374	488	2,633	899	601	67
269	-	221	-	36	-
-	-	-	-	-	-
-	-	-	-	-	-
73,541	-	603,789	237,087	-	14,988
20,103	56	45,068	13,187	15,121	72
-	-	803	-	-	-
<u>\$ 133,366</u>	<u>\$ 76,430</u>	<u>\$ 960,008</u>	<u>\$ 307,692</u>	<u>\$ 49,632</u>	<u>\$ 20,673</u>

See accompanying notes.



**MARION SENIOR SERVICES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019,**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>CDBG Service Facility</b>	<b>Volunteer Program</b>	<b>Meals on Wheels</b>	<b>Preferred Care</b>
<b>Expenses</b>				
Salaries and Benefits	\$ -	\$ -	\$ 33,090	\$ 29,270
In-Kind Salaries	-	-	9,000	-
Travel	-	-	8,465	4,917
Building Space	-	426	625	406
In-Kind Building Space	-	-	-	-
Communications and Utilities	-	712	1,352	648
Printing and Supplies	-	1,548	428	230
Meals	-	-	53,086	21,982
Emergency Energy Assistance	-	-	-	-
Equipment	-	745	505	374
Insurance	-	-	276	-
Fuel	-	-	-	-
Vehicle Expenditures	-	-	-	-
Service Subcontracts	-	-	-	714
Other Indirect Costs	-	5,359	2,681	927
Depreciation	44,448	-	927	-
<b>Total Expenses</b>	<b>\$ 44,448</b>	<b>\$ 8,790</b>	<b>\$ 110,435</b>	<b>\$ 59,468</b>

See accompanying notes.

<b>Managed Long-Term Care</b>	<b>Other Program Services</b>	<b>Management and General</b>	<b>2019 Totals</b>	<b>2018 Totals</b>
\$ 9,804	\$ -	\$ 422,397	\$ 3,125,363	\$ 3,022,678
-	-	-	155,183	156,659
3,146	-	1,811	90,067	94,257
232	-	4,137	30,844	39,434
-	-	-	110,837	100,639
363	-	8,351	75,647	74,565
138	-	39,687	96,314	107,346
20,329	-	-	446,467	490,327
-	-	-	60,975	72,652
192	-	-	15,320	-
-	-	28,518	176,131	167,264
-	-	-	327,187	353,288
-	-	-	238,226	383,614
-	-	-	1,230,041	1,232,489
554	5,044	79,569	340,145	310,803
-	-	21,433	461,238	395,232
<u>\$ 34,758</u>	<u>\$ 5,044</u>	<u>\$ 605,903</u>	<u>\$ 6,979,985</u>	<u>\$ 7,001,247</u>

See accompanying notes.

**MARION SENIOR SERVICES, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019,**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>2019</u>	<u>2018</u>
<b>Cash Flows from Operating Activities</b>		
Contributions and Other Miscellaneous Revenues	\$ 185,958	\$ 200,248
Contracts, Grants and Service Fees	5,974,027	6,305,576
Investment Revenues	(1,438)	4,294
Compensation and Related Expenses	(3,261,911)	(3,174,388)
Vendors and Suppliers	(3,282,201)	(3,392,685)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>(385,565)</u>	<u>(56,955)</u>
<b>Cash Flows from Investing Activities</b>		
Net Investment Purchases	3,681	(234,791)
Purchase of Equipment	(207,569)	(62,166)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<u>(203,888)</u>	<u>(296,957)</u>
<b>Cash Flows from Financing Activities</b>		
Payments on Capital Leases	(12,463)	(7,044)
Payment on Legal Obligation	(20,000)	(20,000)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<u>(32,463)</u>	<u>(27,044)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(621,916)	(380,956)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>2,716,124</u>	<u>3,097,080</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 2,094,208</u>	<u>\$ 2,716,124</u>
<b><u>Supplemental Disclosure of Cash Flow Information</u></b>		
Cash Paid During the Year for Interest	<u>\$ 1,732</u>	<u>\$ 744</u>

**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 in the amount of \$360,833.

Non-cash financial activities include purchase of equipment through capital lease in the amount of \$34,900.

Non-cash activities include in-kind donations of volunteer hours and building space.

See accompanying notes.

**MARION SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**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 disadvantageded 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, which recognizes revenue when earned and expenses as incurred. 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.

**MARION SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**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 \$115,184 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, C1, and C2 programs. Donated building space of \$110,837 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 2016. 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, 2019, 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 (FDIC) up to \$250,000. The uninsured balance in the checking accounts at December 31, 2019, is \$889,510.

**MARION SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**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. Senior Services purchased investments during the 2019 year, which are recorded at fair value.

**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 asset 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, 2018, from which the summarized information was derived.

**Note 2 - Cash and Cash Equivalents**

Cash and cash equivalents are comprised of the following at December 31, 2019:

Petty Cash	\$ 220
Checking Accounts	1,139,290
Money Market Accounts	<u>954,698</u>
<b>Total</b>	<b><u>\$ 2,094,208</u></b>

**Note 3 - Fair Value Measurements and Investments**

Investments measured at fair value on a recurring basis consist of the following at December 31, 2019 and 2018:

**MARION SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

	<b>Fair Value Measurements as of December 31, 2019, Using</b>	
	<b>Fair Value</b>	<b>Quoted Prices In Active Markets for Observable Assets (Level 1)</b>
Cash	\$ 6,419	\$ 6,419
Stock Equities	198,015	198,015
ETFs and Closed-End Funds	62,468	62,468
Preferred Securities	14,192	14,192
<b>Total Investments</b>	<b>\$ 281,094</b>	<b>\$ 281,094</b>

	<b>Fair Value Measurements as of December 31, 2018, Using</b>	
	<b>Fair Value</b>	<b>Quoted Prices In Active Markets for Observable Assets (Level 1)</b>
Stock Equities	\$ 152,928	\$ 152,928
ETFs and Closed-End Funds	72,502	72,502
Preferred Securities	2,674	2,674
<b>Total Investments</b>	<b>\$ 228,104</b>	<b>\$ 228,104</b>

Senior Services recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the years ended December 31, 2019 and 2018.

**Level 1**

Short-term investments are reported at fair value on a recurring basis determined by reference to quoted market prices and other relevant information generated by market transactions. Long-term investments are reported at fair value on a recurring basis determined by reference to yield curves and quoted prices for similar assets.

**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, 2019, Senior Services contributed \$102,623 to the Plan for covered employees.

**MARION SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**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, 2019	Additions	Deletions	Balance December 31, 2019
Preferred Care	\$ 600	\$ 698	\$ -	\$ 1,298
Meals on Wheels	6,969	785	(1,615)	6,139
Service Facility	105,861	9,500	-	115,361
General Use	158,607	-	-	158,607
CCE General Administration	28,453	6,457	(1,400)	33,510
Alzheimer's Disease Initiative	1,411	611	-	2,022
Community Care for Disabled Adults	152	-	-	152
Title IIIB	8,953	2,443	-	11,396
Title IIIC-1	44,849	2,792	(3,446)	44,195
Title IIIC-2	22,412	2,617	(4,308)	20,721
Title IIIE	785	872	-	1,657
Title IIIEF	1,520	-	-	1,520
Local Services Program	180	174	-	354
CDBG Service Facility	2,009,890	-	-	2,009,890
Transportation Services	3,890,476	575,829	(368,407)	4,097,898
Volunteer Program	679	521	-	1,200
(Accumulated Depreciation)	(3,722,969)	(461,237)	378,174	(3,806,032)
<b>Total</b>	<u>\$ 2,558,828</u>	<u>\$ 142,062</u>	<u>\$ (1,002)</u>	<u>\$ 2,699,888</u>

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 and with unrestricted funds. This property is subject to a lien for 30 years or until the 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.

**Note 6 - Obligations Under Capital Leases**

In 2015, Senior Services entered into a capital lease for three copiers which expires in 2020. Three leased copiers were traded in during 2017. 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 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 \$10,610, respectively, at December 31, 2019. The assets are being depreciated over the term of the lease. Depreciation of assets held under the capital lease is included in depreciation expense.



**MARION SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

Minimum future lease payments under the capital lease as of December 31, 2019, for each of the next five years and in the aggregate are:

Year	Capital Leases
2020	\$ 10,748
2021	10,748
2022	10,748
2023	8,152
2024	4,618
<b>Total Future Minimum Lease Payments</b>	45,014
<b>Less: Amount Representing Interest</b>	(5,615)
<b>Present Value of Net Minimum Lease Payments</b>	<b>\$ 39,399</b>

The total present value of net minimum lease payments of \$39,399 is presented in the accompanying financial statements as \$8,282 as the current portion and \$31,116 as the long-term portion.

The interest rate included on the capitalized lease is 5.07%. The amount of interest cost incurred was \$1,732 in 2019, 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.

**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 2019 was \$359.

**MARION SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**Note 10 - Support from Transportation Services**

**State of Florida Commission for the Transportation Disadvantaged**

Senior Services received a portion of its support from the Florida Commission for the Transportation Disadvantaged under Trip and Equipment Grant Agreements.

Contract No. GOX45, FM No. 43202718401/43202818401 18/19 provides for state funding of 90 percent and local funding of 10 percent, and includes support for non-sponsored trips and capital equipment.

	<b>2018-2019</b>	<b>2019</b>	<b>2018</b>
	<b>Contract</b>	<b>Actual</b>	<b>Actual</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
State Funds	\$ 784,171	\$ 392,085	\$ 391,110
Local Cash Match	87,130	43,565	43,457
In-Kind Match	10	-	-
<b>Total Project Costs</b>	<b>\$ 871,311</b>	<b>\$ 435,650</b>	<b>\$ 434,567</b>

Contract No. GIA47, FM No. 43202718401/43202818401 19/20 provides for state funding of 90 percent and local funding of 10 percent, and includes support for non-sponsored trips and capital equipment.

	<b>2019-2020</b>	<b>2019</b>
	<b>Contract</b>	<b>Actual</b>
	<b>Budget</b>	<b>Actual</b>
State Funds	\$ 854,171	\$ 427,127
Local Cash Match	94,908	47,459
<b>Total Project Costs</b>	<b>\$ 949,079</b>	<b>\$ 474,586</b>

**Florida Department of Transportation - Section 5311 Funds**

Senior Services received a portion of its support from the State of Florida Department of Transportation under Contract No. G1264, Financial Project No. 433312-1-84-37; CFDA No. 20.509.

Contract No. G1264 is for administrative and operating assistance with the Federal Transit Administration (FTA) participation and local funds as listed below:

	<b>2018-2019</b>	<b>2019</b>	<b>2018</b>
	<b>Contract</b>	<b>Actual</b>	<b>Actual</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
FTA Participation	\$ 766,800	\$ 636,932	\$ 94,197
Local	766,800	636,932	94,197
<b>Total Project Costs</b>	<b>\$ 1,533,600</b>	<b>\$ 1,273,864</b>	<b>\$ 188,394</b>

**MARION SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**Florida Department of Transportation - Section 5310 Funds**

Contract No. FL-2018-120-00 is for procurement of 5 New Cutaway buses with Cameras/Tablets with the Federal Transit Administration (FTA) participation and local funds as listed below:

	<b>2018/2019</b>	
	<b>Contract</b>	<b>2019</b>
	<b>Budget</b>	<b>Actual</b>
FTA Participation	\$ 393,430	\$ 360,833
Local	43,715	40,093
<b>Total Project Costs</b>	<b>\$ 437,145</b>	<b>\$ 400,926</b>

**Florida Department of Transportation - Section 5339 Funds**

Contract No. 1001-2018-13 is for procurement of Security and Shop Equipment with the Federal Transit Administration (FTA) participation and local funds as listed below:

	<b>2019</b>	
	<b>Contract</b>	<b>2019</b>
	<b>Budget</b>	<b>Actual</b>
FTA Participation	\$ 246,478	\$ 153,480
<b>Total Project Costs</b>	<b>\$ 246,478</b>	<b>\$ 153,480</b>

**Note 11 - Net Assets**

The detail of Senior Services net assets categories at December 31, 2019, is as follows:

**Without Donor Restrictions**

Board Designated	\$ 180,226
Invested in Property, Plant and Equipment	714,458
Undesignated	<u>3,432,448</u>
<b>Total Without Donor Restrictions</b>	<b>\$ <u>4,327,132</u></b>

**With Donor Restrictions**

Restricted Contribution	\$ 58,100
Invested in Property, Plant and Equipment	<u>1,985,430</u>
<b>Total With Donor Restrictions</b>	<b>\$ <u>2,043,530</u></b>

**Note 12 - 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.

**MARION SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

Financial Assets, as of December 31, 2019	\$ 4,006,306
Less Those Unavailable for General Expenditures Within One Year Restricted for Grant Programs	<u>(39,995)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 3,966,311</u>

Senior Services main expenses are for operations of programs. All programs receive grant funding which paid either on a reimbursement basis or by units of service. Senior Service's liquidity plan included maintaining cash in a checking account to meet the operating needs of the organization.

**Note 13 - COVID-19 – Subsequent Event**

Subsequent to year-end, the novel coronavirus (COVID-19) pandemic has created economic disruptions throughout the country as of the date of this report causing significant declines in the financial markets and economic activity overall. The ultimate effects of the pandemic are not quantifiable at this time.

**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, 2019**

<u>Grantor/Pass-Through Agency</u>	<u>CFDA/CSFA Number</u>	<u>Contract Grant Number</u>	<u>Expenditures</u>
<b><u>U.S. Department of Health and Human Services</u></b>			
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-19-MSS	\$ 453,380
Special Programs for the Aging - Title III, Part C - Nutrition Services			
Program C-1	93.045	OAA-19-MSS	352,346
Program C-2	93.045	OAA-19-MSS	429,312
 Nutrition Services Incentive Program 1/1/2019 - 12/31/2019	 93.053	 OAA-19-MSS	 <u>51,128</u>
Total Aging Cluster			<u>1,286,166</u>
National Family Caregiver Support, Title III, Part E	93.052	OAA-19-MSS	118,264
 Low-Income Home Energy Assistance	 93.568	 EA-18-MSS	 45,383
	93.568	EA-19-MSS	<u>26,222</u>
<b>Total U.S. Department of Health and Human Services</b>			<u><u>1,476,035</u></u>
<b><u>Federal Transit Administration</u></b>			
Passed Through Florida Department of Transportation:			
Formula Grants for Rural Areas (Section 5311)	20.509	G1264	<u>636,932</u>
Total Formula Grants for Rural Areas			<u>636,932</u>
 Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310)	 20.513	 FL-2018-120-00	 360,833
 Bus and Bus Facilities Capital Assistance (Section 5399)	 20.526	 1001-1018-13	 <u>153,480</u>
Total Individuals with Disabilities Service			<u>514,313</u>
<b>Total Federal Transit Administration</b>			<u><u>1,151,245</u></u>
<b><u>Corporation for National and Community Service</u></b>			
Passed Through State of Florida Department of Elder Affairs:			
Senior Companion Program	94.016	FSC18	1,340
	94.016	FSC19	<u>1,041</u>
Total Senior Companion Program			<u>2,381</u>
<b>Total Corporation for National and Community Service</b>			<u><u>2,381</u></u>
<b>Total Expenditures of Federal Awards</b>			<u><u>2,629,661</u></u>

**MARION SENIOR SERVICES, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

<u>Grantor/Pass-Through Agency</u>	<u>CFDA/CSFA Number</u>	<u>Contract Grant Number</u>	<u>Expenditures</u>
<b>Passed Through State of Florida Department of Elder Affairs through Elder Options:</b>			
Community Care for the Elderly	65.010	CCE-18-MSS	\$ 443,481
	65.010	CCE-19-MSS	515,700
Total Community Care for the Elderly			<u>959,181</u>
Alzheimer Model Day Care, Memory Disorder Clinics, and Alzheimer Special Projects	65.002	ADI-18-MSS	138,829
	65.002	ADI-19-MSS	239,025
Total Alzheimer Model Day Care, Memory Disorder Clinics, and Alzheimer Special Projects			<u>377,854</u>
Local Services Program	65.009	LSP-18-MSS	9,738
	65.009	LSP-19-MSS	9,382
Total Local Services Program			<u>19,120</u>
Home Care for the Elderly	65.001	HCE-18-MSS	18,175
	65.001	HCE-19-MSS	10,818
Total Home Care for the Elderly			<u>28,993</u>
<b>State of Florida Commission for the Transportation Disadvantaged:</b>			
Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program	55.001	GOX45	392,082
	55.001	G1A47	427,135
<b>Total State of Florida Commission for the Transportation Disadvantaged</b>			<u>819,217</u>
<b>Total Expenditures of State Financial Assistance</b>			<u>2,204,365</u>
<b>Total Expenditures of Federal Awards and State Financial Assistance</b>			<u>\$ 4,834,026</u>

**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.

**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, 2019, 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 July 13, 2020.

**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.

CERTIFIED PUBLIC ACCOUNTANTS

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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**

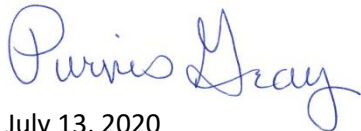
**Compliance and Other Matters**

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 July 13, 2020.

**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.



July 13, 2020  
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**

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, 2019. 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.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state projects.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Marion Senior Services, 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; and 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). Those standards, the 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 non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and state project occurred. An audit includes examining, on a test basis, evidence about Marion Senior Services, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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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 UNIFORM GUIDANCE AND  
CHAPTER 10.650, RULES OF THE AUDITOR GENERAL**

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 Marion Senior Services, Inc.'s compliance.

**Opinion on Each Major Federal Program and State Project**

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, 2019.

**Report on Internal Control Over Compliance**

Management of Marion Senior Services, 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 Marion Senior Services, 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 the 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 Marion Senior Services, 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, non-compliance with a type of compliance requirement of a federal program and 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 non-compliance with a type of compliance requirement of a federal program and 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 and 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.

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 UNIFORM GUIDANCE AND  
CHAPTER 10.650, RULES OF THE AUDITOR GENERAL**

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.

A handwritten signature in blue ink that reads "Purvis Gray". The signature is written in a cursive style with a large initial "P".

July 13, 2020  
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, 2019**

**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 Transportation: Formula Grants for Rural Areas	CFDA 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

**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, 2019**

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	\$ 300,000
Auditee Qualified as Low-Risk Auditee Pursuant to the Uniform Guidance?	Yes

**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.

## 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, 2019, and have issued our report thereon dated July 13, 2020.

### 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

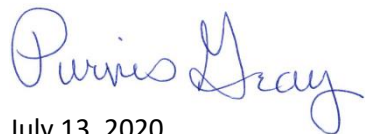
We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal 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 July 13, 2020, 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 noncompliance with provisions of controls 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.



July 13, 2020  
Ocala, Florida

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## 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

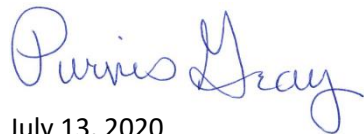
#### 2019-1 – Financial Reporting and Close Process

During the audit, we noted that the year-end closing routine for Marion Senior Services, Inc. was not functioning as it had been in previous years. 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 a result, there were a significant number of journal entries that were required to accurately report year-end financial information. Due to the additional entries that were required the process has been more time consuming to properly close the year.

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 financial reporting process.



July 13, 2020  
Ocala, Florida

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

## Management Letter Response

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

Response to Management Letter -2019

We agree with the recommendations given based on the Auditors findings. To execute your recommendations, we plan on diligently following our timetable for quarterly reviews of our General Ledger including fixed asset and prepaid accounts as well as processing correcting journal entries prior to year-end to ensure a reconciled trial balance for year-end schedules and the audit.

We also agree that in previous years we were adequately prepared for year-end closing and the audit process but due to unforeseen circumstances that impacted our Finance Department along with time consuming efforts implementing a new reimbursement process for transportation billing, we fell behind on some of our normal practices of reviewing for accuracy. We readily look forward to completing quarterly review processes and adhering to a stricter timetable to better prepare us for future annual reviews and not compromise the reputation we thrive to maintain.