

SENIORS FIRST, INC. AND AFFILIATE

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

Years Ended December 31, 2019 and 2018

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Seniors First, Inc. and Affiliate
Orlando, Florida

We have audited the accompanying consolidated financial statements of Seniors First, Inc. and Affiliate (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

To the Board of Directors
Seniors First, Inc. and Affiliate

Opinion

In our opinion, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Organization as of December 31, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2020, on our consideration of the Organization'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 the Organization's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
May 8, 2020

SENIORS FIRST, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2019 and 2018

ASSETS

	2019	2018
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,850,180	\$ 1,699,545
Grants and contributions receivable	1,196,047	1,174,509
Certificates of deposit	542,236	533,102
Prepays and other assets	122,367	101,201
TOTAL CURRENT ASSETS	3,710,830	3,508,357
PROPERTY AND EQUIPMENT, net	1,235,351	1,092,075
INVESTMENTS AND OTHER ASSETS		
Contingency reserve fund	254,011	253,666
Funded depreciation account	111,707	248,990
Beneficial interest in assets held by Central Florida Foundation	1,944,385	1,661,090
Deposits	3,250	3,250
TOTAL INVESTMENTS AND OTHER ASSETS	2,313,353	2,166,996
TOTAL ASSETS	\$ 7,259,534	\$ 6,767,428

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 452,824	\$ 463,632
Accrued payroll and related expenses	188,329	158,234
Deferred grant and contribution advances	292,667	608,079
TOTAL CURRENT LIABILITIES	933,820	1,229,945
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Without donor restrictions	6,108,897	5,183,384
With donor restrictions	216,817	354,099
TOTAL NET ASSETS	6,325,714	5,537,483
TOTAL LIABILITIES AND NET ASSETS	\$ 7,259,534	\$ 6,767,428

The accompanying notes are an integral part of the consolidated financial statements.

SENIORS FIRST, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES
AND CHANGES IN NET ASSETS

Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Government grants and contributions	\$ 8,341,773	\$ -	\$ 8,341,773
Other grants and contributions	1,243,645	-	1,243,645
Donated services and rent	594,124	-	594,124
Program service fees	173,398	-	173,398
Other income	48,376	-	48,376
TOTAL SUPPORT AND REVENUE	10,401,316	-	10,401,316
PROGRAM AND SUPPORT SERVICES EXPENSES			
Program Services			
In-home services	3,917,021	-	3,917,021
Nutrition services	2,421,365	-	2,421,365
Other	1,884,524	-	1,884,524
Support Services			
Management and general	1,349,100	-	1,349,100
Fundraising and development	325,977	-	325,977
TOTAL PROGRAM AND SUPPORT SERVICES EXPENSES	9,897,987	-	9,897,987
OPERATING INCOME	503,329	-	503,329
CHANGE IN BENEFICIAL INTEREST IN ASSETS HELD BY CENTRAL FLORIDA FOUNDATION			
	284,902	-	284,902
CHANGE IN NET ASSETS	788,231	-	788,231
TRANSFER OF NET ASSETS	137,282	(137,282)	-
NET ASSETS - BEGINNING OF YEAR	5,183,384	354,099	5,537,483
NET ASSETS - END OF YEAR	\$ 6,108,897	\$ 216,817	\$ 6,325,714

The accompanying notes are an integral part of the consolidated financial statements.

SENIORS FIRST, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES
AND CHANGES IN NET ASSETS (Continued)

Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Government grants and contributions	\$ 9,269,682	\$ -	\$ 9,269,682
Other grants and contributions	697,307	-	697,307
Donated services and rent	582,124	-	582,124
Program service fees	229,893	-	229,893
Other income	58,022	-	58,022
	10,837,028	-	10,837,028
PROGRAM AND SUPPORT SERVICES EXPENSES			
Program Services			
In-home services	4,516,406	-	4,516,406
Nutrition services	2,504,474	-	2,504,474
Other	2,054,165	-	2,054,165
Support Services			
Management and general	1,349,605	-	1,349,605
Fundraising and development	244,305	-	244,305
	10,668,955	-	10,668,955
TOTAL PROGRAM AND SUPPORT SERVICES EXPENSES	10,668,955	-	10,668,955
OPERATING INCOME	168,073	-	168,073
CHANGE IN BENEFICIAL INTEREST IN ASSETS HELD BY CENTRAL FLORIDA FOUNDATION			
	(137,054)	-	(137,054)
CHANGE IN NET ASSETS	31,019	-	31,019
TRANSFER OF NET ASSETS	(10,193)	10,193	-
NET ASSETS - BEGINNING OF YEAR	5,162,558	343,906	5,506,464
NET ASSETS - END OF YEAR	\$ 5,183,384	\$ 354,099	\$ 5,537,483

The accompanying notes are an integral part of the consolidated financial statements.

SENIORS FIRST, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 788,231	\$ 31,019
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	113,557	125,431
Gain on sale of property and equipment	(1,000)	(15,337)
Change in beneficial interest in assets held by Central Florida Foundation	(284,902)	137,054
Changes in:		
Grants and contributions receivable	(21,538)	(178,462)
Prepays and other assets	(21,166)	(1,741)
Accounts payable	(10,808)	95,299
Accrued payroll and related expenses	30,095	17,426
Deferred grant and contribution advances	(315,412)	116,988
	277,057	327,677
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(256,833)	(23,574)
Proceeds from sale of property and equipment	1,000	27,989
Redemptions of certificates of deposit	533,102	528,091
Net purchases of certificates of deposit and other investments	(405,298)	(543,686)
Contributions from Central Florida Foundation, net	1,607	1,515
	(126,422)	(9,665)
NET CASH USED IN INVESTING ACTIVITIES		
NET INCREASE IN CASH AND CASH EQUIVALENTS	150,635	318,012
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,699,545	1,381,533
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,850,180	\$ 1,699,545

The accompanying notes are an integral part of the consolidated financial statements.

SENIORS FIRST, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2019

	Program Services			Support Services		Total Expenses
	In-Home Services	Nutrition Services	Other	Management and General	Fundraising and Development	
Salaries and Related Expenses	\$ 1,237,941	\$ 653,849	\$ 780,615	\$ 956,505	\$ 185,957	\$ 3,814,867
Contracted Services	2,327,223	40	133,418	-	-	2,460,681
Travel	55,018	28,196	9,429	7,482	1,647	101,772
Occupancy	17,133	5,165	38,260	25,947	1,203	87,708
Communications and Postage	5,320	3,998	14,086	21,796	979	46,179
Printing and Supplies	130	-	691	49,514	36,503	86,838
Equipment and Vehicles	314	121	204,701	3,251	29	208,416
Meals	-	1,441,244	-	-	-	1,441,244
Insurance	-	-	53,442	72,800	-	126,242
Professional Fees	-	5,128	-	116,036	72,719	193,883
Program Supplies	7,366	15,033	535,845	-	9,993	568,237
Depreciation	-	-	48,474	65,083	-	113,557
Other	52	991	5,563	30,686	16,947	54,239
Donated Services and Rent	266,524	267,600	60,000	-	-	594,124
TOTAL EXPENSES	\$ 3,917,021	\$ 2,421,365	\$ 1,884,524	\$ 1,349,100	\$ 325,977	\$ 9,897,987

The accompanying notes are an integral part of the consolidated financial statements.

SENIORS FIRST, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES *(Continued)*

Year Ended December 31, 2018

	Program Services			Support Services		Total Expenses
	In-Home Services	Nutrition Services	Other	Management and General	Fundraising and Development	
Salaries and Related Expenses	\$ 1,306,528	\$ 659,638	\$ 748,199	\$ 955,003	\$ 119,314	\$ 3,788,682
Contracted Services	2,847,862	-	184,406	-	-	3,032,268
Travel	61,277	26,966	9,111	6,858	2,505	106,717
Occupancy	19,918	6,277	37,578	35,296	1,503	100,572
Communications and Postage	5,644	4,328	14,389	22,461	450	47,272
Printing and Supplies	-	-	269	65,853	23,966	90,088
Equipment and Vehicles	308	102	163,026	4,271	67	167,774
Meals	-	1,476,380	34,446	-	-	1,510,826
Insurance	-	-	49,471	69,185	1,206	119,862
Professional Fees	-	4,510	1,200	102,596	72,293	180,599
Program Supplies	6,014	17,270	677,402	-	3,799	704,485
Depreciation	-	-	60,840	64,591	-	125,431
Other	2,331	41,403	25,828	23,491	19,202	112,255
Donated Services and Rent	266,524	267,600	48,000	-	-	582,124
TOTAL EXPENSES	<u>\$ 4,516,406</u>	<u>\$ 2,504,474</u>	<u>\$ 2,054,165</u>	<u>\$ 1,349,605</u>	<u>\$ 244,305</u>	<u>\$ 10,668,955</u>

The accompanying notes are an integral part of the consolidated financial statements.

SENIORS FIRST, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Seniors First, Inc. (“Seniors First”) is a not-for-profit organization created to provide services that enhance the quality of life by maintaining the independence, dignity and social well-being of the elderly and disabled adult residents of Central Florida. Seniors First provides nutrition services, Meals on Wheels, transportation, social services, case management, in-home services, personal care, guardianship, home-maker services, and a variety of other services for the elderly and disabled. Seniors First receives funding from various sources, principally federal, state, and local grants. Seniors First also receives support from the United Way, foundations, businesses, and the general public.

In 1998, Seniors First created and incorporated Seniors First Foundation, Inc. (the “Foundation”) to attract and administer funds for the benefit of Seniors First. The Foundation and Seniors First have common board members and management and, as such, the Foundation is considered an affiliate of Seniors First.

These consolidated financial statements include the accounts of Seniors First and the Foundation (collectively, the “Organization”). All significant intercompany transactions have been eliminated in the consolidation.

New Accounting Standard Adoption

Effective January 1, 2019, the Organization adopted Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* (“the Contribution Standard”). The Contribution Standard assists entities in evaluating whether transactions are accounted for as contributions or as exchange transactions, and whether contributions include conditions. The adoption of the Contribution Standard resulted in the recognition of additional grant and contribution revenue of approximately \$63,000 during the year ended December 31, 2019.

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following is a summary of the Organization’s significant accounting policies followed in the presentation of these consolidated financial statements.

Cash and Cash Equivalents

The Organization considers all highly liquid financial instruments with a maturity of three months or less at date of purchase to be cash and cash equivalents, except for cash and cash equivalents held in the contingency reserve fund and funded depreciation account. The Organization does not include cash and cash equivalents in these accounts as restricted cash when preparing its consolidated statements of cash flows.

Property and Equipment

Property and equipment, with an acquisition value of \$1,000 or more, are recorded at cost, if purchased, or at estimated fair market value if donated. Depreciation and amortization is provided using the straight-line method over the estimated useful lives of the individual assets.

The estimated lives of significant property and equipment categories are as follows:

Furniture and equipment	3 - 20 Years
Building and improvements	5 - 40 Years
Vehicles	5 - 10 Years

Net Assets

Net assets and changes in net assets are presented based on the existence or absence of donor-imposed restrictions. In these consolidated financial statements, net assets are reported as follows:

Net Assets without Donor Restrictions: Net assets not subject to donor-imposed restrictions. At December 31, 2019 and 2018, net assets without donor restrictions included approximately \$2,198,000 and \$1,915,000, respectively, of funds designated by the Board of Directors for the contingency reserve fund and various endowments (see Note 5).

Net Assets with Donor Restrictions: Net assets subject to donor-imposed stipulations that either require assets to be maintained permanently or that can be fulfilled by actions of the Organization and/or the passage of time. Net assets with donor restrictions consist of the following as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Cash reserve for vehicle replacement	\$ 111,708	\$ 248,990
Permanent endowment	<u>105,109</u>	<u>105,109</u>
	<u>\$ 216,817</u>	<u>\$ 354,099</u>

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (Continued)

The cash reserve for vehicle replacement, reflected on the consolidated statements of financial position as the funded depreciation account, is used to purchase replacement vehicles and is replenished from unrestricted cash based upon the scheduled depreciation of vehicles included in the replacement program. During the years ended December 31, 2019 and 2018, approximately \$11,000 and \$10,000, respectively, was added to the cash reserve balance and is reflected on the consolidated statements of activities and changes in net assets as transfers of net assets. Approximately \$149,000 was withdrawn from the reserve for the purchase of vehicles during 2019, and no funds were withdrawn from the reserve in 2018.

The permanent endowment at December 31, 2019 and 2018, represents the original contribution of \$105,109 for the Alan Litz Endowment. Income generated from the investment of the endowment may be used without restriction by the Organization, whereas, the original principal balance is to remain intact.

Revenue Recognition

Support received from governmental and private sources are recorded as grant and contribution revenue, based upon the terms of the grant agreement or contribution, which generally requires a condition to be met or certain activities performed for the funds to be earned and any unearned funds to be returned. Funds received in advance of the condition being met or activities performed are recorded as deferred grant and contribution advances.

Gifts of cash and other assets received with donor stipulations that limit the use of the donated assets are reported as a donor-restricted contribution. When a restriction ends, or the purpose of the restriction is accomplished, donor-restricted net assets are reclassified to net assets without donor restrictions and are reported as net assets released from restriction. Donor-restricted contributions whose restrictions are met within the same reporting period are reported as contributions without donor restrictions in that period.

Program service fees consists of equipment sales, class fees, and client co-pays for meals and services under grant awards, and are reported at the estimated amounts to be collected at the time of sale or when the service is rendered. The performance obligation is generally recognized with the sale or delivery of service.

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services and Rental Space

A significant number of unpaid volunteers donate their services in support of all program areas of the Organization. Services include delivery of meals, group activities at congregate dining sites, administrative office support, special event planning committee, and holiday gift and donation drives. No amounts have been reflected in these consolidated financial statements for these donated services.

The Organization also receives certain services for its guardianship program and utilizes space that is provided at no charge for its nutrition and Polk County programs. Based on management's estimate, the fair value of these services and rents approximated \$594,000 and \$582,000 for the years ended December 31, 2019 and 2018, respectively, and is reflected in the consolidated financial statements as both revenue and expenses.

Income Taxes

Seniors First and the Foundation are not-for-profit corporations organized under the laws of the state of Florida and have been granted recognition of their tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income earned in furtherance of their tax-exempt purposes is exempt from federal and state income taxes and, as a result, these consolidated financial statements include no provision or liability for income taxes.

As of December 31, 2019, with few exceptions, the Organization is no longer subject to income tax examinations by United States federal taxing authorities for any tax years prior to the past three tax years.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of functional expenses. Accordingly, certain costs are directly attributed to the specific program or supporting service, and other costs have been allocated based upon relationships of units provided, relative time spent by employees of the Organization, and other criteria.

Estimates

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

Fair Value of Financial Instruments

The carrying values of the Organization's financial instruments approximate their fair value.

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain amounts in the 2018 consolidated financial statements have been reclassified to conform to the 2019 presentation. Such reclassifications had no effect on the previously reported change in net assets.

Subsequent Events

In preparing the consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 8, 2020, the date the consolidated financial statements were available to be issued.

NOTE 2 - GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable are expected to be collected within a year and consist of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Receivable from state and local sources	\$ 632,219	\$ 690,799
Receivable from federal sources	491,404	467,837
Other receivables	<u>72,424</u>	<u>15,873</u>
Grants and contribution receivable	<u><u>\$ 1,196,047</u></u>	<u><u>\$ 1,174,509</u></u>

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments consist of certificates of deposit, money market funds, and beneficial interest in assets held by the Central Florida Foundation (“CFF”). The contingency reserve fund and funded depreciation account were comprised of money market funds at December 31, 2019 and 2018.

The fair value of financial instruments is presented based upon a hierarchy of levels that prioritizes the inputs of 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). A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Quoted market prices were used to value the Organization’s Level 1 assets and principally consist of money market funds. The Organization’s Level 2 financial instruments consist of certificates of deposit held in FDIC-insured banks, and their value is based on observable interest rates. The Organization’s Level 3 financial instruments consist of beneficial interests in assets held by CFF, the fair values of which are based on the net asset values of the related funds (see Note 5). The cost of investments approximated their fair value at December 31, 2019 and 2018.

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The following tables set forth by level, within the fair value hierarchy, the Organization's investments measured at fair value as of December 31, 2019 and 2018:

	Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
<u>December 31, 2019</u>				
Money market funds	\$ 365,718	\$ -	\$ -	\$ 365,718
Certificates of deposit	-	542,236	-	542,236
Beneficial interest in assets held by CFF	-	-	1,944,385	1,944,385
Total	\$ 365,718	\$ 542,236	\$ 1,944,385	\$ 2,852,339
<u>December 31, 2018</u>				
Money market funds	\$ 502,656	\$ -	\$ -	\$ 502,656
Certificates of deposit	-	533,102	-	533,102
Beneficial interest in assets held by CFF	-	-	1,661,090	1,661,090
Total	\$ 502,656	\$ 533,102	\$ 1,661,090	\$ 2,696,848

NOTE 4 - LIQUIDITY AND CASH NEEDS

The table below represents financial assets available to meet cash needs for general expenditures within one year at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 1,850,180	\$ 1,699,545
Grants and contributions receivable	1,196,047	1,174,509
Certificates of deposit	542,236	533,102
Contingency reserve fund	254,011	253,666
	<u>\$ 3,842,474</u>	<u>\$ 3,660,822</u>

As part of a cash and liquidity management policy, the Organization structures its financial assets to be available as its general expenditures and liabilities become due. Additionally, excess cash is invested in various investment instruments to increase earnings. The certificates of deposit mature within the year and can be converted into cash to manage any unanticipated liquidity needs. The contingency reserve fund may be drawn upon for general expenditures with board approval.

NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD BY CFF

The Organization has transferred funds to CFF to establish five board-designated endowment funds, which are considered component funds of CFF. These endowments are invested and distributed by CFF in accordance with their investment and spending policies. These policies attempt to provide a relatively steady level of funding to programs supported by the endowments, while seeking to preserve and enhance the purchasing power of the endowment assets. The terms of the fund agreements with CFF provide, among other things, that distributions are subject to CFF's policies.

NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD BY CFF (Continued)

According to the terms of the agreement with CFF, under certain circumstances, the CFF Board of Directors shall have the power to modify or eliminate any restriction, limitation, or condition on the distribution of funds, including their use for any specified purposes or their distribution to specific organizations.

The following table sets forth a summary of changes in fair value of the funds for the years ended December 31, 2019 and 2018:

	Seniors Fund	Seniors First, Inc. Fund	Seniors First Foundation	Seniors First In- Home Services Fund	Judith Thames Meals on Wheels Fund	Total
Fair value at December 31, 2017	\$ 9,463	\$ 46,439	\$ 972,871	\$ 366,031	\$ 404,855	\$ 1,799,659
Interest and dividends	191	902	20,516	7,711	8,538	37,858
Realized and unrealized losses, net	(568)	(2,642)	(75,526)	(28,377)	(31,429)	(138,542)
CFF fees	(77)	(593)	(19,546)	(8,138)	(8,134)	(36,488)
Contributions (distributions)	118	(1,515)	-	-	-	(1,397)
Fair value at December 31, 2018	9,127	42,591	898,315	337,227	373,830	1,661,090
Interest and dividends	215	971	22,740	8,515	9,444	41,885
Realized and unrealized gains, net	1,514	6,924	149,771	56,170	62,265	276,644
CFF fees	(76)	(572)	(17,025)	(7,897)	(8,057)	(33,627)
Contributions (distributions)	-	(1,607)	-	-	-	(1,607)
Fair value at December 31, 2019	<u>\$10,780</u>	<u>\$ 48,307</u>	<u>\$ 1,053,801</u>	<u>\$ 394,015</u>	<u>\$ 437,482</u>	<u>\$ 1,944,385</u>

NOTE 6 - PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consists of the following at December 31, 2019 and 2018:

	2019	2018
Land	\$ 268,633	\$ 236,888
Building	1,191,692	1,168,520
Furniture and equipment	231,550	218,181
Vehicles	1,015,433	944,392
	<u>2,707,308</u>	<u>2,567,981</u>
Less accumulated depreciation	<u>(1,471,957)</u>	<u>(1,475,906)</u>
Property and equipment, net	<u>\$ 1,235,351</u>	<u>\$ 1,092,075</u>

Certain vehicles were acquired with funds received under grants from the Florida Department of Transportation ("FDOT"). Under the terms of the grants, FDOT records and maintains a lien on the bus titles until they have reached their useful lives. When the useful life requirement is met, FDOT will fund replacement buses or transfer title to the Organization. The Organization retains the use of these vehicles as long as they are used to carry out the service for which the original grant was provided. The Organization expects to continue using the vehicles for their designated purpose and to retain the right to the continued use of these assets in the future. The vehicles acquired under these FDOT grants have a net book value of approximately \$101,000 and \$146,000 at December 31, 2019 and 2018, respectively.

NOTE 6 - PROPERTY AND EQUIPMENT, NET (Continued)

Depreciation expense was approximately \$114,000 and \$125,000 for the years ended December 31, 2019 and 2018, respectively.

NOTE 7 - DEFERRED GRANT AND CONTRIBUTION ADVANCES

The Organization had conditional programmatic grant revenue and contributions remaining to be earned or refunded in subsequent years of approximately \$293,000 and \$608,000 at December 31, 2019 and 2018, respectively.

NOTE 8 - CONTRACT MATCHING REQUIREMENTS

The Title III Older Americans Act and Community Care for the Elderly and Disabled Adults programs require the Organization to provide matching cash or in-kind contributions. For the years ended December 31, 2019 and 2018, the total expenditures of these programs and related match requirement are as follows:

<u>Program Title</u>	<u>CFDA#/ CSFA#</u>	<u>2019</u>	<u>2018</u>
Title III-B, Supportive Services	93.044	\$ 1,167,433	\$ 1,227,962
Title III-C1, Congregate Nutrition Services	93.045	564,682	576,459
Title III-C2, Home Delivered Nutrition Services	93.045	665,303	584,067
Community Care for the Elderly	65.010	<u>3,712,320</u>	<u>4,396,754</u>
Total expenditures		<u>\$ 6,109,738</u>	<u>\$ 6,785,242</u>
Calculated match requirement		<u>\$ 678,860</u>	<u>\$ 753,916</u>

During the years ended December 31, 2019 and 2018, the Organization had matching amounts of approximately \$846,000 and \$869,000 consisting of contributed funds of approximately \$312,000 and \$335,000 and in-kind contribution matching of approximately \$534,000 and \$534,000, respectively.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Employee Benefit Plan

The Organization has established a defined-contribution pension plan covering all eligible employees. Employer contributions are determined on a discretionary basis ranging up to 3% of each eligible employee's salary. Contributions to the plan totaled approximately \$70,000 and \$65,000 for the years ended December 31, 2019 and 2018, respectively.

NOTE 9 - COMMITMENTS AND CONTINGENCIES (Continued)

Lease Commitments

The Organization leases certain office space, vehicles and office equipment. Rental expense under the leases was approximately \$83,000 and \$54,000 for the years ended December 31, 2019 and 2018, respectively. The lease terms expire in various periods through August 2023, with future minimum lease payments as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 51,000
2021	23,000
2022	18,000
2023	<u>5,000</u>
	<u>\$ 97,000</u>

Credit Risk and Economic Dependence

Financial instruments which potentially subject the Organization to concentrations of credit risk principally consist of cash and cash equivalents, accounts receivable, certificates of deposit, and beneficial interest in assets held by CFF. The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. Management believes that the concentration of credit risk relating to contributions and grants receivable is limited due to the nature of the receivables and the quality of the intermediaries.

The Organization performs its program services with funds received from federal, state, and local sources. A significant reduction in the level of this funding, if this were to occur, could have a negative effect on the Organization's programs and activities. Grants from federal, state, and local governmental sources represented approximately 78% and 86% of the Organization's revenues for the years ended December 31, 2019 and 2018, respectively.

Governmental funding is subject to statutory and regulatory changes, administrative rulings, interpretations of policy, intermediary determinations, and governmental funding restrictions, all of which may materially affect program reimbursement to recipient agencies. Changes in the reimbursement policies of the Nutrition and Supportive Services programs or the Community Care for the Elderly programs, as a result of legislative and regulatory actions, could adversely affect the revenues of the Organization.

COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The extent of COVID-19's effect on the Organization's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the potential impact of COVID-19 on the Organization. However, if the pandemic continues to evolve into a severe worldwide health crisis, the disease could have a material adverse effect on the Organization's business, results of operations, financial condition and cash flows.

SUPPLEMENTAL INFORMATION



Certified Public Accountants

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON SUPPLEMENTAL INFORMATION

To the Board of Directors
Seniors First, Inc. and Affiliate
Orlando, Florida

We have audited the consolidated financial statements of Seniors First, Inc. and Affiliate (the “Organization”) as of and for the years ended December 31, 2019 and 2018, and our report thereon dated May 8, 2020, which contained an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole.

The schedule of expenditures of federal awards and schedule of expenditures of state financial assistance for the year ended December 31, 2019, appearing on pages 19 and 20, respectively, are presented for the purpose of additional analysis or to meet 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”) and Chapter 10.650, *Rules of the Auditor General*, and are not a required part of the consolidated financial statements. The supplemental schedule of functional expenses by service for the year ended December 31, 2019, appearing on pages 21 and 22, is also presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
May 8, 2020

SENIORS FIRST, INC. AND AFFILIATE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2019

<u>Federal Grantor / Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract / Grant Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services/ Florida Department of Elder Affairs/ Area Agency on Aging of Central Florida:			
<u>Aging Cluster:</u>			
Title III-B, Support Services	93.044	SR1-OAA-19	\$ 1,167,433
Title III-C1, Congregate Nutrition Services	93.045	SR1-OAA-19	564,682
Title III-C2, Home Delivered Nutrition Services	93.045	SR1-OAA-19	665,303
Nutrition Services Incentive Program	93.053	SR1-NSIP-19	<u>187,022</u>
Total Aging Cluster			<u>2,584,440</u>
Total U.S. Department of Health and Human Services			2,584,440
U.S. Department of Housing and Urban Development:			
Passed through Orange County			
Community Development Block Grants (Nutrition)	14.218		100,363
Passed through Seminole County			
Community Development Block Grants (Nutrition)	14.218		<u>30,768</u>
Total U.S. Department of Housing and Urban Development			<u>131,131</u>
U.S. Department of Transportation:			
Passed through Central Florida Regional Transportation Authority			
Enhanced Mobility of Seniors and Individuals with Disabilities Grants	20.513		<u>6,440</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 2,722,011</u></u>

NOTE 1 - BASIS OF PRESENTATION

The schedule of expenditures of federal awards ("Schedule") includes the federal grant activity of Seniors First, Inc. 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"). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

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, as applicable, either the cost principles in the Office of Management and Budget Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

Senior's First, Inc. has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

See Report of Independent Certified Public Accountants on Supplemental Information.

SENIORS FIRST, INC. AND AFFILIATE

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

Year Ended December 31, 2019

<u>State Grantor / Pass-Through Grantor Program Title</u>	<u>State CSFA Number</u>	<u>Contract / Grant Number</u>	<u>State Expenditures</u>
Florida Department of Elder Affairs			
Passed through Area Agency on Aging of Central Florida:			
Orange County Community Care for the Elderly	65.010	SR1o-CCE-19 YR2 SR1o-CCE-20 YR1	\$ 943,439 877,470
Seminole County Community Care for the Elderly	65.010	SR1s-CCE-19 YR2 SR1s-CCE-20 YR1	285,923 307,499
Orange County Home Care for the Elderly	65.001	SR1o-HCE-19 YR2 SR1o-HCE-20 YR1	115,000 121,130
Seminole County Home Care for the Elderly	65.001	SR1s-HCE-19 YR2 SR1s-HCE-20 YR1	30,327 36,974
Passed through Senior Connection:			
Polk County Community Care for the Elderly	65.010	CCE-18/19-SFI YR 2 CCE-19/20-SFI YR 1	621,228 676,761
Polk County Home Care for the Elderly	65.001	HCE-18/19-SFI YR 2 HCE-19/20-SFI YR 1	69,769 69,900
Polk County Alzheimer's Disease Initiative	65.004	ADI-18/19-SFI YR 2 ADI-19/20-SFI YR 1	204,316 207,331
Passed through Orange County:			
Public Guardianship	65.003		<u>228,987</u>
Total Florida Department of Elder Affairs			<u>4,796,054</u>
TOTAL STATE FINANCIAL EXPENDITURES			<u><u>\$ 4,796,054</u></u>

NOTE 1 - BASIS OF PRESENTATION

The schedule of expenditures of state financial assistance ("Schedule") includes the state grant activity of Seniors First, Inc. and is presented using the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of 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 basic financial statements.

See Report of Independent Certified Public Accountants on Supplemental Information.

SENIORS FIRST, INC. AND AFFILIATE

SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES BY SERVICE

Year Ended December 31, 2019

Program Services

	In-Home Services						Nutrition Services		
	Homemaker	Polk County	Case Managers	Personal Care	Respite Companion	Social Work	Home-Delivered Meals	Congregate Meals	Nutrition Education & Other
Salaries and Related Expenses	\$ 286,554	\$ 177,556	\$ 293,240	\$ 214,082	\$ 99,363	\$ 167,146	\$ 383,467	\$ 248,753	\$ 21,629
Contracted Services	313,329	1,077,812	-	185,873	750,209	-	-	-	40
Travel	14,406	6,599	4,847	19,176	8,613	1,377	23,372	4,618	206
Occupancy	1,308	-	9,276	1,308	-	5,241	2,858	2,163	144
Communications and Postage	811	67	1,163	811	774	1,694	2,143	1,855	-
Printing and Supplies	-	-	-	130	-	-	-	-	-
Equipment and Vehicles	31	-	126	31	-	126	69	52	-
Meals	-	-	-	-	-	-	956,820	379,312	105,112
Insurance	-	-	-	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-	2,204	2,924	-
Program Supplies	3,727	263	326	2,527	-	523	1,563	11,151	2,319
Depreciation	-	-	-	-	-	-	-	-	-
Other	52	-	-	-	-	-	724	190	77
Donated Services and Rent	-	266,524	-	-	-	-	30,000	237,600	-
Total Expenses Before Allocation of Management and General Expenses	620,218	1,528,821	308,978	423,938	858,959	176,107	1,403,220	888,618	129,527
Allocation of Management and General Expenses	97,877	241,263	48,760	66,902	135,552	27,791	221,442	140,233	20,440
Total Expenses	<u>\$ 718,095</u>	<u>\$ 1,770,084</u>	<u>\$ 357,738</u>	<u>\$ 490,840</u>	<u>\$ 994,511</u>	<u>\$ 203,898</u>	<u>\$ 1,624,662</u>	<u>\$ 1,028,851</u>	<u>\$ 149,967</u>
Total Units of Service (Unaudited)	29,757	59,857	9,284	19,422	43,584	5,619	242,459	93,918	6,932

(Continued)

See Report of Independent Certified Public Accountants on Supplemental Information.

SENIORS FIRST, INC. AND AFFILIATE

SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES BY SERVICE *(Continued)*

Year Ended December 31, 2019

	Program Services					Support Services			
	Other Services					Total Program Costs	Fundraising and Development	Management and General	Total Expenses
	Legal Assistance and Guardianship	Transportation	Non-DOEA Related Services	Polk County	Other Services				
Salaries and Related Expenses	\$ 233,428	\$ 447,846	\$ 99,341	\$ -	\$ -	\$ 2,672,405	\$ 185,957	\$ 956,505	\$ 3,814,867
Contracted Services	-	-	-	46,056	87,362	2,460,681	-	-	2,460,681
Travel	9,300	104	25	-	-	92,643	1,647	7,482	101,772
Occupancy	2,261	951	35,048	-	-	60,558	1,203	25,947	87,708
Communications and Postage	6,464	5,099	1,749	-	774	23,404	979	21,796	46,179
Printing and Supplies	-	-	691	-	-	821	36,503	49,514	86,838
Equipment and Vehicles	45	203,537	1,119	-	-	205,136	29	3,251	208,416
Meals	-	-	-	-	-	1,441,244	-	-	1,441,244
Insurance	445	40,382	12,615	-	-	53,442	-	72,800	126,242
Professional Fees	-	-	-	-	-	5,128	72,719	116,036	193,883
Program Supplies	7,286	1,011	1,258	260,232	266,058	558,244	9,993	-	568,237
Depreciation	-	44,843	3,631	-	-	48,474	-	65,083	113,557
Other	2,494	1,662	1,407	-	-	6,606	16,947	30,686	54,239
Donated Services and Rent	60,000	-	-	-	-	594,124	-	-	594,124
Total Expenses Before Allocation of Management and General Expenses	321,723	745,435	156,884	306,288	354,194	8,222,910	325,977	1,349,100	9,897,987
Allocation of Management and General Expenses	50,771	117,637	24,758	48,335	55,896	1,297,657	51,443	(1,349,100)	-
Total Expenses	<u>\$ 372,494</u>	<u>\$ 863,072</u>	<u>\$ 181,642</u>	<u>\$ 354,623</u>	<u>\$ 410,090</u>	<u>\$ 9,520,567</u>	<u>\$ 377,420</u>	<u>\$ -</u>	<u>\$ 9,897,987</u>
Total Units of Service (Unaudited)	133	65,509	654	24,449	66,710				

(Concluded)

See Report of Independent Certified Public Accountants on Supplemental Information.



Certified Public Accountants

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
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
Seniors First, Inc. and Affiliate
Orlando, Florida

We have audited, 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, the consolidated financial statements of Seniors First, Inc. and Affiliate (the “Organization”), which comprise the consolidated statement of financial position as of December 31, 2019, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 8, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization’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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

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

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

To the Board of Directors
Seniors First, Inc. and Affiliate

Compliance and Other Matters

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

Purpose of this Report

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

MSL, P.A.

Certified Public Accountants

Orlando, Florida
May 8, 2020



Certified Public Accountants

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS 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
Seniors First, Inc. and Affiliate
Orlando, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the compliance of Seniors First, Inc. and Affiliate (the “Organization”) with the types of compliance requirements described in the *OMB Compliance Supplement* and the Department of Financial Services *State Projects Compliance Supplement* 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. The Organization’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 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization’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; 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*. 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 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 the Organization’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 the Organization’s compliance.

To the Board of Directors
Seniors First, Inc. and Affiliate

Opinion on Each Major Federal Program and State Project

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to in the first paragraph of this section 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 the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to in the first paragraph of this section above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or 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 or 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 the Organization'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 the 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.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
May 8, 2020

SENIORS FIRST, INC. AND AFFILIATE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____ No
Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____ None Reported
Noncompliance material to financial statements noted?	_____	Yes	_____ <u>X</u> _____ No

Federal Awards and State Projects

Internal control over major federal programs and state projects:			
Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____ No
Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____ None Reported
Type of auditor's report issued on compliance for major federal programs and state projects	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.650, <i>Rules of the Auditor General</i> ?	_____	Yes	_____ <u>X</u> _____ No

SENIORS FIRST, INC. AND AFFILIATE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Year Ended December 31, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS (Continued)

Federal Awards and State Projects (Continued)

Identification of major federal programs and major state projects:

Name of Federal Program or Cluster	CFDA Number
Aging Cluster:	
Title III, Part B - Support Services	93.044
Title III, Part C - Nutrition Services	93.045
Nutrition Services Incentive Program	93.053
Name of State Project	CSFA Number
Community Care for the Elderly	65.010
Dollar threshold used to distinguish between Type A and Type B programs for federal awards:	\$750,000
Dollar threshold used to distinguish between Type A and Type B programs for state projects:	\$750,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

SECTION II - FINANCIAL STATEMENT FINDINGS

No findings were reported.

SECTION III - FEDERAL AWARDS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS

No findings were reported.

SECTION IV - OTHER ISSUES

No management letter is required because there were no findings required to be reported in the management letter.

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings.