

**AREA AGENCY ON AGING FOR
SOUTHWEST FLORIDA, INC.**

**FINANCIAL STATEMENTS AND SCHEDULES
REQUIRED BY THE UNIFORM GUIDANCE
TOGETHER WITH REPORTS OF
INDEPENDENT AUDITOR**

**YEAR ENDED
DECEMBER 31, 2020**

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INTEGRITY.....KNOWLEDGE.....SERVICE.....COMMITMENT®

Independent Auditor's Report

To the Board of Directors
Area Agency on Aging for Southwest Florida, Inc.
Fort Myers, Florida

Opinion

We have audited the accompanying financial statements of Area Agency on Aging for Southwest Florida, Inc., (the "Organization") (a nonprofit organization) which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Area Agency on Aging for Southwest Florida, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Area Agency on Aging for Southwest Florida, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the

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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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Area Agency on Aging for Southwest Florida, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Area Agency on Aging for Southwest Florida, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Area Agency on Aging for Southwest Florida, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

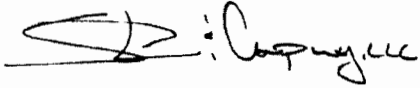
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the Florida Single Audit Act (Florida Statute 215.97) and Chapter 10.650 of the Rules of the Auditor General of the State of Florida, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated October 5, 2021, on our consideration of Area Agency on Aging for Southwest Florida, 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 solely 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 the internal control over financial reporting or on compliance.

Area Agency on Aging for Southwest Florida, Inc.
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That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Area Agency on Aging for Southwest Florida, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Stroemer & Company, LLC". The signature is stylized and written in a cursive-like font.

STROEMER & COMPANY, LLC
Fort Myers, Florida
October 5, 2021

AREA AGENCY ON AGING FOR SOUTHWEST FLORIDA, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2020

	<u>Net Assets Without Donor Restrictions</u>			<u>Net Assets With Donor Restrictions</u>	
	<u>General Operating</u>	<u>Property and Equipment</u>	<u>Total</u>	<u>Restrictions</u>	<u>Total</u>
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$1,986,549	\$ -	\$1,986,549	\$ -	\$1,986,549
Due from Grantors	3,028,992	-	3,028,992	-	3,028,992
Prepaid expenses	747	-	747	-	747
Security deposits	28,353	-	28,353	-	28,353
TOTAL CURRENT ASSETS	5,044,641	-	5,044,641	-	5,044,641
PROPERTY AND EQUIPMENT, NET	-	538,570	538,570	-	538,570
TOTAL ASSETS	\$5,044,641	\$ 538,570	\$5,583,211	\$ -	\$5,583,211
LIABILITIES AND NET ASSETS					
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	\$ 61,454	\$ -	\$ 61,454	\$ -	\$ 61,454
Current portion of capital lease	5,111	-	5,111	-	5,111
Due to providers	2,231,912	-	2,231,912	-	2,231,912
Accrued salaries and benefits	114,999	-	114,999	-	114,999
Current portion of long-term debt	7,146	-	7,146	-	7,146
TOTAL CURRENT LIABILITIES	2,420,622	-	2,420,622	-	2,420,622
CAPITAL LEASE	8,125	-	8,125	-	8,125
LONG-TERM DEBT	317,454	-	317,454	-	317,454
TOTAL LIABILITIES	2,746,201	-	2,746,201	-	2,746,201
NET ASSETS					
Net Assets Without Donor Restrictions	2,298,440	538,570	2,837,010	-	2,837,010
Net Assets With Donor Restrictions	-	-	-	-	-
TOTAL NET ASSETS	2,298,440	538,570	2,837,010	-	2,837,010
TOTAL LIABILITIES AND NET ASSETS	\$5,044,641	\$ 538,570	\$5,583,211	\$ -	\$5,583,211

The accompanying notes are an integral part of this statement.

AREA AGENCY ON AGING FOR SOUTHWEST FLORIDA, INC.
STATEMENT OF ACTIVITIES
Year ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
CHANGES IN NET ASSETS			
SUPPORT & REVENUE			
Grants from Government agencies	\$ -	\$ 20,320,200	\$ 20,320,200
In-kind revenue	298,359	-	298,359
Contributions	12,831	-	12,831
Interest income	200	-	200
TOTAL SUPPORT & REVENUE	311,390	20,320,200	20,631,590
Net assets released from restrictions	<u>20,320,200</u>	<u>(20,320,200)</u>	<u>-</u>
TOTAL SUPPORT, REVENUE AND RECLASSIFICATIONS	20,631,590	-	20,631,590
EXPENSES			
PROGRAM SERVICES			
Alzheimer's Disease Initiative	1,620,137	-	1,620,137
Community Care for the Elderly	4,102,585	-	4,102,585
Home Energy Assistance	297,565	-	297,565
Home Care for the Elderly	442,697	-	442,697
Nutrition Services	4,767,967	-	4,767,967
Older Americans Act	3,256,286	-	3,256,286
Respite RELIEF Program	27,630	-	27,630
SHINE Program	229,853	-	229,853
Wellness Program	57,588	-	57,588
VDHCBS	2,179,008	-	2,179,008
Other Programs	2,056	-	2,056
Information and Intake	<u>1,122,358</u>	<u>-</u>	<u>1,122,358</u>
TOTAL PROGRAM SERVICES	18,105,730	-	18,105,730
SUPPORT SERVICES			
Administrative and general	<u>1,805,624</u>	<u>-</u>	<u>1,805,624</u>
TOTAL SUPPORT SERVICES	1,805,624	-	1,805,624
TOTAL EXPENSES	19,911,354	-	19,911,354
CHANGE IN NET ASSETS	720,236	-	720,236
NET ASSETS, BEGINNING OF YEAR	2,116,774	-	2,116,774
NET ASSETS, END OF YEAR	\$ 2,837,010	\$ -	\$ 2,837,010

The accompanying notes are an integral part of this statement.

AREA AGENCY ON AGING FOR SOUTHWEST FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2020

	Program Services						
	Alzheimer's Disease Initiative	Community Care for the Elderly	Home Energy Assistance	Home Care for the Elderly	Nutrition Services	Older Americans Act	Respite RELIEF
PROGRAM COSTS							
Provider Reimbursements	\$1,620,137	\$4,102,585	\$ 297,531	\$442,697	\$4,767,967	\$3,185,593	\$27,630
Salaries	-	-	-	-	-	55,528	-
Payroll Taxes	-	-	-	-	-	4,163	-
Employee Benefits	-	-	-	-	-	9,721	-
Travel	-	-	-	-	-	232	-
Supplies	-	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-	-
Rent	-	-	32	-	-	-	-
Utilities	-	-	-	-	-	-	-
Maintenance & Repair	-	-	2	-	-	-	-
Insurance	-	-	-	-	-	-	-
Other	-	-	-	-	-	925	-
Property and Equipment	-	-	-	-	-	124	-
Total program costs	<u>1,620,137</u>	<u>4,102,585</u>	<u>297,565</u>	<u>442,697</u>	<u>4,767,967</u>	<u>3,256,286</u>	<u>27,630</u>
PROPERTY AND EQUIPMENT							
Property and equipment capitalization	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Total property and equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENSES	<u>\$1,620,137</u>	<u>\$4,102,585</u>	<u>\$ 297,565</u>	<u>\$442,697</u>	<u>\$4,767,967</u>	<u>\$3,256,286</u>	<u>\$27,630</u>

The accompanying notes are an integral part of this statement.

AREA AGENCY ON AGING FOR SOUTHWEST FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES, CONTINUED
Year ended December 31, 2020

	Program Services					Total Program Services
	SHINE Program	Wellness Program	VDHCBS	Other Programs	Information and Intake	
PROGRAM COSTS						
Provider Reimbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,444,140
Salaries	127,271	37,285	-	-	715,806	935,890
Payroll Taxes	9,328	2,777	-	-	45,829	62,097
Employee Benefits	32,428	8,349	-	-	130,752	181,250
Travel	5,039	1,933	-	-	212	7,416
Supplies	7,858	465	-	-	15,243	23,566
Professional Fees	3,260	2,187	-	-	32,447	37,894
Rent	12,769	2,128	-	-	104,085	119,014
Utilities	21,739	569	-	-	24,398	46,706
Maintenance & Repair	1,509	230	-	-	10,813	12,554
Insurance	2,078	343	-	-	12,228	14,649
Other	2,598	650	2,179,008	2,056	11,397	2,196,634
Property and Equipment	3,976	672	-	-	19,148	23,920
Total program costs	229,853	57,588	2,179,008	2,056	1,122,358	18,105,730
PROPERTY AND EQUIPMENT						
Property and equipment capitalization	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Total property and equipment	-	-	-	-	-	-
TOTAL EXPENSES	\$ 229,853	\$ 57,588	\$2,179,008	\$ 2,056	\$1,122,358	\$ 18,105,730

The accompanying notes are an integral part of this statement.

AREA AGENCY ON AGING FOR SOUTHWEST FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES, CONTINUED
Year ended December 31, 2020

	<u>Supporting Services</u>	
	<u>Administrative and General</u>	<u>Total</u>
PROGRAM COSTS		
Provider Reimbursements	\$ 28,050	\$ 14,472,190
Salaries	1,060,215	1,996,105
Payroll Taxes	56,222	118,319
Employee Benefits	79,422	260,672
Travel	43,778	51,194
Supplies	28,285	51,851
Professional Fees	148,780	186,674
Rent	86,778	205,792
Utilities	39,503	86,209
Maintenance & Repair	17,371	29,925
Insurance	12,707	27,356
Other	122,743	2,319,377
Property and Equipment	31,821	55,741
	<u>1,755,675</u>	<u>19,861,405</u>
PROPERTY AND EQUIPMENT		
Property and equipment capitalization	-	-
Depreciation	49,949	49,949
	<u>49,949</u>	<u>49,949</u>
	<u>1,805,624</u>	<u>19,911,354</u>
TOTAL EXPENSES	\$ 1,805,624	\$ 19,911,354

The accompanying notes are an integral part of this statement.

AREA AGENCY ON AGING FOR SOUTHWEST FLORIDA, INC.
STATEMENT OF CASH FLOWS
Year ended December 31, 2020

	<u>Amount</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from revenue and support services	\$ 20,003,372
Cash paid to suppliers and employees	(19,742,616)
Interest income	<u>200</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	260,956
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	<u>(436,121)</u>
NET CASH USED IN INVESTING ACTIVITIES	(436,121)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on capital lease obligations	(4,538)
Proceeds from long-term debt	<u>324,600</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>320,062</u>
NET CHANGE IN CASH	144,897
Cash, beginning of year	<u>1,841,652</u>
CASH, END OF YEAR	<u>\$ 1,986,549</u>
SUPPLEMENTAL DISCLOSURE OF NON CASH ACTIVITIES	
In-kind contributions of goods and services received	<u>\$ 298,359</u>
In-kind contributions of goods and services expensed	<u>\$ (298,359)</u>

The accompanying notes are an integral part of this statement.

AREA AGENCY ON AGING FOR SOUTHWEST FLORIDA, INC.
STATEMENT OF CASH FLOWS, CONTINUED
Year ended December 31, 2020

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**RECONCILIATION OF CHANGE IN NET
ASSETS TO NET CASH PROVIDED BY
OPERATING ACTIVITIES**

	<u>Amount</u>
Change in net assets	\$ 720,236
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	49,949
(Increase)/decrease in assets:	
Due from Grantors	2,833
Accounts receivable - due from providers	54
Prepaid expenses	(747)
Security deposits	(19,853)
Increase/(decrease) in liabilities:	
Accounts payable and accrued liabilities	(138,881)
Due to providers	(332,546)
Accrued salaries and benefits	(13,060)
Accrued rent	<u>(7,029)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 260,956</u>

The accompanying notes are an integral part of this statement.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose and organization

Area Agency on Aging for Southwest Florida, Inc. (the "Agency") founded in 1978, is a not-for-profit corporation. The agency is one of eleven Area Agencies on Aging in the state of Florida providing assistance for the development, planning and administration of service programs for the elderly. Substantially all of the Agency's funding comes from grants from the U.S. Department of Health and Human Services and the Florida State Department of Elder Affairs. The funds are passed through to the direct services providers.

Federal and state funds for a seven-county area are awarded to the Agency under grant contracts. The Agency's service area includes Charlotte, Collier, DeSoto, Glades, Hendry, Lee and Sarasota Counties. The Agency is responsible for developing an area plan and sub-granting federal and state funds to direct providers of services for older persons to achieve the plan goals. The direct providers include governmental entities and other not-for-profit organizations. The purposes of the respective program services, which are administered by the direct providers, are as follows:

Older Americans Act

To foster the development of community based systems of service for older persons and provision of supportive services, including multi-purpose senior centers.

Wellness Program

To develop or strengthen preventive health service and health promotion systems.

Home Energy Assistance

To assist eligible households to meet the costs of home energy.

Nutrition Services

To improve the diets of the elderly and to increase the market of domestically produced foods acquired under surplus removal or price support operations.

Home Care for the Elderly

To encourage the provision of care for elders in family type living arrangements in private homes as an alternative to nursing homes or other institutional care.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Purpose and organization, continued

Community Care for the Elderly

To decrease or delay premature or inappropriate and expensive placement of older persons in nursing homes and other institutions.

Alzheimer's Disease Initiative

To address the special needs of Alzheimer's Disease clients and their caregivers.

Medicaid Waiver Program

To provide intensive case management and supportive services to prevent or delay institutionalization.

Serving Health Insurance Needs of Elders (SHINE) Program

To provide elders with information, counseling and assistance on Medicare, Medicaid, and other health insurance.

Respite RELIEF Program

The "Respite for Elders Living in Everyday Families" (RELIEF) program provides in-home respite that is an expansion of respite currently available through other programs, specifically including evening and weekend respite.

Aging and Disability Resource Center

To facilitate customer friendly access to long-term care information, services and benefits for elders, younger individuals with disabilities and family caregivers.

Veterans Directed Home & Community Based Services (VDHCBS)

A home and community based service program funded through the Veterans Health Administration via agreements between local Veterans Administration Medical Centers and Area Agencies on Aging.

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The accounting and reporting policies of the Agency are in accordance with

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Basis of accounting, continued

the accounting standards issued by the Financial Accounting Standards Board ("FASB") in the Accounting Standards Codification ("ASC").

Financial statement presentation

The Agency prepares its financial statements in accordance with the "Not-For-Profit Entities" topic of the FASB ASC. In accordance with this topic, the Agency is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Contributions

In accordance with the "Not-For-Profit Entities" topic of the FASB ASC, contributions received are recorded as net assets without donor restricted or net assets with donor restricted support depending on the existence and/or nature of any donor restrictions. Under this topic, donor-restricted contributions are required to be reported as net assets with donor restrictions.

Support and revenues

The Agency receives its support primarily from the community, local not-for-profits and grantor agencies. Revenues are recorded as support when pledged if the contribution is unconditional and without any donor contingencies.

Cash and cash equivalents

For purposes of these statements, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and having original maturities of three months or less.

Recognition of donor restrictions

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, or when the purpose restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Concentration of credit risk

The Agency maintains its cash accounts in various financial institutions, which, at times, may exceed federally-insured limits. At December 31, 2020, none of the Agency's bank balances were uninsured. The Agency has not experienced any economic losses on such accounts and believes it is not exposed to any significant credit risk regarding its cash balances.

Property and equipment

Furniture and equipment is recorded at cost, or if donated, at fair market value on the date of donation. Such donations are reported as net assets without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire furniture and equipment are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Agency reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Depreciation is computed using the straight-line and accelerated methods over the estimated useful lives of the assets.

The cost of assets retired or sold, together with the related accumulated depreciation, is removed from the accounts and any gain or loss from disposition is reported on the statement of activities.

Impairment of long-lived assets

The Agency adheres to the "Property, Plant and Equipment" topic of the FASB ASC to account for the impairment of long-lived assets. This topic requires, among other things, that entities identify events or changes in circumstances which indicate that the carrying amount of an asset may not be recoverable.

There was no effect on the Agency's financial statements resulting from this topic for the year ended December 31, 2020.

Functional expenses

The Agency allocates its expenses on a functional basis among its various program and supporting services. Expenses that can be identified with a specific program service are

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Functional expenses, continued

allocated directly according to their natural expenditure classification. Other expenses common to several functions are allocated by various statistical bases.

Fair value of financial instruments

The carrying amount of cash and cash equivalents, receivables, and payables approximate fair value due to the short maturity of these financial instruments.

Income taxes

The Internal Revenue Services has determined that the Agency is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Agency is a not-for-profit Florida corporation and therefore is not subject to state income taxes. The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances. The Agency reports no unrelated business taxable income; however, such status is subject to final determination upon examination of the related tax returns by the appropriate taxing authorities.

The Agency's tax filings are subject to audit by various taxing authorities. Certain income tax returns filed by the Agency remain open to examination by these government agencies. The Agency follows ASC Topic 740, "Income Taxes" in accounting for uncertain tax positions. The Agency has evaluated its tax positions and any estimates utilized in its tax returns, and concluded that the Agency has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. Interest and penalties associated with uncertain tax positions will be recognized in income tax expense, if required.

Management 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 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.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Donated services

The Agency has reported donated goods and services in the financial statements. The Agency has established an objective basis to measure the value of such goods and services. The type of donated items include, volunteer time, equipment, and supplies. However, the Board of Directors has donated significant amounts of their time and expertise to the Agency which is not reflected on the financial statements. The amount reported as donated goods and services for the year ended December 31, 2020 was \$298,359.

Due From Grantors / Due To Providers

The Agency records amounts Due from Grantors/Due to Providers for funds previously expended by provider agencies and for which reimbursement requests have been submitted. In the opinion of management, these amounts will be fully collected from the appropriate funding agency.

Deferred revenue

Advance payments received from the grantor agencies are deferred and recognized over the periods to which the payments relate.

Advertising costs

The Agency incurs various marketing and promotional costs to let the community know about their services. These costs are expensed as incurred and totaled \$180 for the year ended December 31, 2020.

Revenue recognition

Revenue from Exchange Transactions: The Agency recognizes revenue from these types of transactions in accordance with FASB Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Agency did not have this type of revenue for the year ended December 31, 2020.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Revenue recognition, continued

Revenue from Non-Exchange Transactions: The Agency recognizes revenue from these types of transactions in accordance with FASB ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU 2018-08 applies to non-exchange transactions. The Agency records the following non-exchange transaction revenue in its statement of activities for the year ended December 31, 2020:

Contributions - Revenue from contributions is recognized at the time the contribution is made.

Grants - Revenue from grants is recognized pro-ratably over the contract period as reimbursements are requested and barriers are met.

NOTE B - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Agency's financial assets available within one year of the balance sheet date for general expenditures were as follows:

	<u>Amount</u>
Cash and cash equivalents	\$1,986,549
Due from grantors	<u>3,028,992</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$5,015,541</u>

The Agency manages its financial assets in accordance with the "Not-For-Profit Entities" topic of the FASB ASC. This topic requires that the Agency maintains sufficient resources to meet the responsibilities of its donors. Therefore financial assets may not be available for general expenditure within one year. As part of the Agency's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

NOTE C - DUE FROM GRANTORS/DUE TO PROVIDERS

A summary of the Due from Grantors/Due to Providers at December 31, 2020 is as follows:

Grant	Due from Grantors	Due to Providers
Title III B	\$ 456,518	\$ 228,536
Title III C-1	269,211	244,915
Title III C-2	185,055	212,954
Title III D	-	105
Title III E	441,915	444,544
Title VII Elder Abuse	3,851	972
Nutrition Services Incentive Program	11,278	17,400
MIPPA Program	9,077	1,491
Emergency Home Energy Assistance	88,250	87,345
Respite RELIEF Program	2,927	2,672
Chronic Disease Self Management	7,102	725
Community Care for the Elderly	769,093	720,292
Alzheimer's Disease Initiative	144,255	144,255
Medicaid Waiver Specialist	15,640	1,797
Medicaid Aging Resource Center	118,553	12,765
Home Care for the Elderly	85,430	15,371
Senior Medicare Patrol (SMP)	3,752	690
SHINE	14,962	2,839
Veterans Association	402,123	92,244
	<u>\$ 3,028,992</u>	<u>\$ 2,231,912</u>

Differences arise between the amounts Due from Grantors and Due to Providers as a result of the timing and source of the remittances.

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2020:

	Amount
Equipment	\$ 1,194,314
Accumulated depreciation	<u>(655,744)</u>
	<u>\$ 538,570</u>

Depreciation expense was \$49,949 for the year ended December 31, 2020.

NOTE E - PENSION PLAN

Employees who have completed one year of employment with the Agency are eligible to participate in the Agency's retirement plan. The plan allows for employer contributions of up to 10 percent of an employee's annual salary in an employee directed account or tax deferred savings plan. Employer contributions for the year ended December 31, 2020 were \$102,593.

NOTE F - LINE OF CREDIT

The Agency has a \$200,000 line of credit agreement with a bank. The agreement is collateralized by inventory, equipment, and accounts receivable of the Agency. The line of credit has an interest rate of Prime Rate plus 1.5 percent (4.75 percent at December 31, 2020), which is payable monthly and is payable on demand. As of December 31, 2020, the outstanding balance on the line of credit was \$0 and the entire \$200,000 was available for borrowings.

NOTE G - CAPITAL LEASE PAYABLE

The Agency entered into a capital lease agreement with Avaya to lease phone equipment. The obligation under the capital lease has been recorded in the accompanying financial statements at the present value of future minimum lease payments, discounted at interest rate 9.517%. The cost and accumulated depreciation of this equipment, included in property and equipment at December 31, 2020 was \$22,691 and \$9,455, respectively. The capital lease requires total monthly payments of \$378, including interest, through November 2023.

The future minimum capital lease payments under these leases are as follows:

Year Ended <u>December 31,</u>	<u>Amount</u>
2021	\$ 5,111
2022	5,111
2023	<u>4,732</u>
Total minimum lease payments	14,954
Less: amount representing interest	<u>(1,718)</u>
Present value of minimum lease payments	<u>\$ 13,236</u>
Current portion	\$ 5,111
Long-term portion	<u>8,125</u>
	<u>\$ 13,236</u>

NOTE H - LONG-TERM DEBT

Long-term debt consisted of the following as of December 31, 2020:

	<u>Amount</u>
Note payable to a bank, for Paycheck Protection Program, interest at 1%, all principal and unpaid interest due and payable on July 17, 2025.	\$ 324,600
Less: current portion	<u>(7,146)</u>
	<u>\$ 317,454</u>

Total annual principal payments for outstanding long-term debt are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 7,146
2022	86,214
2023	87,080
2024	87,955
2025	<u>56,205</u>
	<u>\$ 324,600</u>

NOTE I - OPERATING LEASE COMMITMENTS

The Agency entered into an agreement with Zeno Office Solutions to lease Digital Printers. The lease agreement calls for 63 monthly payments of \$541 ending in March, 2021. This lease was terminated in May 2020, and a new lease through Milner was executed. The new lease calls for 63 monthly payments of \$999 ending in September 2025.

The Agency extended its agreement with RB Merchants, LLC to lease office space. The lease called for payment of a base rent, currently at \$11,394, plus a percentage of the property operating expenses including common area maintenance, insurance, real estate taxes, and utilities. The lease agreement had an extended term of 6 months and expired on September 30, 2020.

The Agency entered into an agreement with Metro Gardens Office Partners, LLC to lease office space beginning August 1, 2020. The lease calls for payment of base rent, currently at \$14,443 (through July 2021), \$14,721 (through July 2022), \$15,009 (through July

NOTE I - OPERATING LEASE COMMITMENTS, CONTINUED

2023), \$15,307 (through July 2024), and \$15,615 (through July 2025) plus a percentage of the property operating expenses included common area maintenance, insurance, real estate taxes, and utilities. The lease has an initial term of 15 years and expires on July 31, 2025.

The agency entered into an agreement with Comcast for internet and telephone services for two years. The agreement calls for 24 monthly payments of \$309 ending in June 2022.

The agency entered into an agreement with Stericylce, Inc. (Shred-it) for shredding services. The agreement calls for 60 monthly payments of \$90 ending in July 2025

The future minimum operating lease payments under these leases are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2021	\$ 191,473
2022	193,007
2023	194,660
2024	198,288
2025	198,598
Thereafter	<u>2,028,589</u>
	<u>\$ 3,004,615</u>

Total lease expense under these operating leases totaled \$183,304 for the year ended December 31, 2020.

NOTE J - NET ASSETS

Net assets consisted of the following at December 31, 2020:

	<u>Amount</u>
Without donor restrictions:	
Undesignated	<u>\$ 2,837,010</u>
With donor restrictions:	<u>\$ -</u>

NOTE K - NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors.

Net assets released from donor restrictions during the year ended December 31, 2020 were:

	<u>Amount</u>
Expenditure for specific purpose accomplished:	
Grant related expenditures	\$ 20,320,200
Total released from restrictions:	<u>\$ 20,320,200</u>

NOTE L - MATCHING REQUIREMENTS

The Agency must meet certain contractual matching requirements through cash and/or in-kind contributions. These requirements are proportionately passed on to the Agency's providers through contractual provisions in their subcontracts. The subcontract provider's match is reported to the Agency and tracked to ensure that all contractual matching requirements are met. However, the match provided by the Agency's providers is not recognized in the financial statements of the Agency. For the year ended December 31, 2020, the Agency met its matching requirements.

NOTE M - SUBSEQUENT EVENTS

Management has assessed subsequent events through October 5, 2021, the date on which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

AREA AGENCY ON AGING FOR SOUTHWEST FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
Year ended December 31, 2020

Grantor/Pass Through Entity	Contract/ CFDA/ Pass-Through		Award Amount	Expenditures	Transfer to Sub recipients
	CFSA Number	Grantor Number			
FEDERAL AWARDS					
<u>U.S. Department of Health and Human Services</u>					
Passed Through State of Florida,					
Department of Elder Affairs:					
Older Americans Act					
Special Programs for the Aging					
Aging Cluster					
Title III-B - Support Services	93.044	HA-020	\$ 2,993,477	\$ 1,719,271	\$ 1,314,913
Title III-B - Support Services - Cares	93.044	HCA-20	2,993,447	1,028,286	855,692
Administrative Grant	93.044	HA-020	1,260,813	798,621	-
Administrative Grant - Cares	93.044	HCA-20	479,868	424,189	-
Total Program			7,727,605	3,970,367	2,170,605
Title III C-1 - Nutrition Services	93.045	HA-020	2,031,938	951,385	951,385
Title III C-1 - Nutrition Services - Cares	93.045	HCA-20	1,843,391	1,258,612	1,258,612
Title III C-2 - Nutrition Services	93.045	HA-020	2,604,699	1,627,261	1,627,261
Title III C-2 - Nutrition Services - Cares	93.045	HCA-20	717,679	667,336	667,336
Total Program			7,197,707	4,504,594	4,504,594
Food Distribution Program:					
Cash in Lieu of Commodities (NSIP)	93.053	HA-020	263,374	263,374	263,374
Total Program			263,374	263,374	263,374
Total Aging Program			15,188,686	8,738,335	6,938,573
Title III-E - Family Caregiver Services	93.052	HA-020	949,429	650,362	625,449
Title III-E - Family Caregiver Services - Cares	93.052	HCA-20	578,873	454,464	427,797
Title III D-1 - Health and Wellness	93.043	HA-020	130,329	44,588	-
Elder Abuse Prevention	93.041	H7020	21,267	21,267	-
Total Program			1,679,898	1,170,681	1,053,246
Federal Home Energy Assistance Program:					
Emergency Home Energy Assistance	93.568	HP-019	395,494	279,149	2,791
Emergency Home Energy Assistance - Cares	93.568	HPC-20	299,557	50,517	2,981
Total Program			695,051	329,666	5,772
Medicare Waiver Specialist	93.778	HX-017	220,222	60,956	-
Total Program			220,222	60,956	-
Medicaid Aging Resource Center	93.048	HX-017	846,793	422,318	-
Medicaid Aging Resource Center - Cares	93.048	HCX-20	256,365	128,183	-
Total Program			1,103,158	550,501	-
Serving Health Insurance Needs of Elders	93.324	HN-019	179,548	44,887	-
Serving Health Insurance Needs of Elders	93.324	HN-020	194,548	134,661	-
Total Program			374,096	179,548	-
MIPPA Program	93.071	HB-020	101,707	76,280	-
MIPPA Program	93.071	HB-021	101,707	27,231	-
Total Program			203,414	103,511	-

AREA AGENCY ON AGING FOR SOUTHWEST FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE, CONTINUED
Year ended December 31, 2020

Grantor/Pass Through Entity	Contract/ CFDA/ Pass-Through		Award Amount	Expenditures	Transfer to Sub recipients
	CFSA Number	Grantor Number			
Chronic Disease Self-Management Education	93.734	HF019	127,845	40,115	-
Total Program			127,845	40,115	-
Senior Medicare Patrol (SMP)	93.048	HG-019	52,534	21,889	-
Senior Medicare Patrol (SMP)	93.048	HG-020	45,029	26,267	-
Total Program			97,563	48,156	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 19,689,933	\$ 11,221,469	\$ 7,997,591
STATE FINANCIAL ASSISTANCE					
State of Florida					
Department of Elder Affairs:					
Alzheimer's Disease Initiative	65.002	HZ-019	\$ 2,319,135	\$ 860,818	\$ 860,818
Alzheimer's Disease Initiative	65.002	HZ-020	2,603,335	788,368	788,368
Total Project			4,922,470	1,649,186	1,649,186
Alzheimer's Model Day Care	65.004	HZ-019	75,000	26,875	26,875
Alzheimer's Model Day Care	65.004	HZ-020	75,000	18,737	18,737
Total Project			150,000	45,612	45,612
Community Care for the Elderly	65.010	HC-019	5,476,094	2,281,971	2,252,599
Community Care for the Elderly	65.010	HC-020	5,977,524	2,261,993	2,224,817
Total Project			11,453,618	4,543,964	4,477,416
Home Care for the Elderly	65.001	HH-019	542,254	260,500	225,175
Home Care for the Elderly	65.001	HH-020	551,674	260,127	217,683
Total Project			1,093,928	520,627	442,858
Respite Relief	65.006	HR-019	37,000	15,255	13,406
Respite Relief	65.006	HR-020	37,000	16,075	14,225
Total Project			74,000	31,330	27,631
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 17,694,016	\$ 6,790,719	\$ 6,642,703
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			\$ 37,383,949	\$ 18,012,188	\$ 14,640,294

AREA AGENCY ON AGING FOR SOUTHWEST FLORIDA, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Year ended December 31, 2020

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NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the Federal and State grant activity of Area Agency on Aging for Southwest Florida, Inc. and is presented based on accounting principles generally accepted in the United States of America. 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") and the Florida Single Audit Act (Florida Statute 215.97).

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedule of Expenditures of Federal Awards and State Financial Assistance is prepared on the accrual basis of accounting.

For new awards or modifications of existing awards after December 26, 2014, the expenditures reported in the Schedule of Expenditures of Federal Awards and State Financial Assistance follow the cost principles contained in the Uniform Guidance. For existing awards prior to December 26, 2014, the expenditures follow the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*. The cost principles indicate that certain types of expenditures are not allowed or reimbursements of allowable costs are limited as to reimbursement.

NOTE C - INDIRECT COSTS

The Agency records all expenditures of federal awards and state financial assistance using the direct cost method. In this manner, the Agency has elected not to use the 10% de minimis indirect cost rate, which is allowed in accordance with the Uniform Guidance.

NOTE D - CONTINGENCIES

The Federal and State programs are subject to financial and compliance audits by grantor agencies which, if instances of material noncompliance are found, may result in disallowed expenditures and affect Area Agency on Aging for Southwest Florida, Inc.'s continued participation in specific programs. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although Area Agency on Aging for Southwest Florida, Inc. believes the Agency to be in substantial compliance and therefore expects such amounts, if any, to be immaterial.

**ADDITIONAL REPORTS OF
INDEPENDENT AUDITOR**



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**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***

Board of Directors

Area Agency on Aging for Southwest Florida, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Area Agency on Aging for Southwest Florida, Inc. (the "Agency", a non-profit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 5, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency'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.

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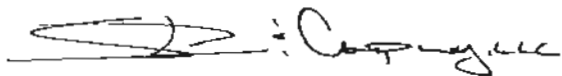
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations,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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's 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 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 to provide an opinion on the effectiveness of the Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



STROEMER & COMPANY, LLC
Fort Myers, Florida
October 5, 2021



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**Independent Auditor's Report On Compliance For Each Major Program
And On Internal Control Over Compliance Required By The Uniform
Guidance, The Florida Single Audit Act (Florida Statute 215.97) And
Chapter 10.650 Of The Rules Of The Auditor General Of The State Of Florida**

Board of Directors
Area Agency on Aging for Southwest Florida, Inc.

Report on Compliance for Each Major Federal Program and State Project

We have audited Area Agency on Aging for Southwest Florida, Inc.'s (the "Agency") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Agency's major federal programs and state projects for the year ended December 31, 2020. The Agency'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 and state awards applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Agency'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"); the Florida Single Audit Act (Florida Statute 215.97) and Chapter 10.650 of the Rules of the Auditor General of the State of Florida. Those standards and the Uniform Guidance require that we plan and

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perform the audit to obtain reasonable assurance about whether noncompliance with the type 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 Agency'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 Agency's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the Agency 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, 2020.

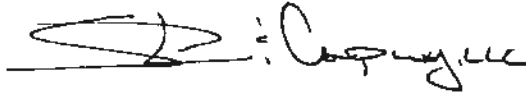
Report on Internal Control Over Compliance

Management of Area Agency on Aging for Southwest Florida, 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 the Agency'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, 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 Agency's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance, The Florida Single Audit Act (Florida Statute 215.97) and Chapter 10.650 of the Rules of the Auditor General of the State of Florida. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Stroemer & Company, LLC", is written over a horizontal line.

STROEMER & COMPANY, LLC

Fort Myers, Florida

October 5, 2021

**AREA AGENCY ON AGING FOR SOUTHWEST FLORIDA, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
 FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 Year ended December 31, 2020**

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards

Internal control over major programs:
 Material weakness(es) identified? _____ Yes X No
_____ Yes X None reported
 Type of auditors report issued on compliance for
 major programs Unqualified
 Any audit findings disclosed that are required to be
 reported in accordance with 2 CFR
 Section 200.516(a)? _____ Yes X No

Identification of major programs (Type A):

<u>CFDA</u>	<u>Name of Federal Program or Cluster</u>
<u>Number(s)</u> 93.044/93.045/93.053	Aging Cluster

Dollar threshold used to distinguish between
 Type A and Type B programs Threshold used was \$750,000.
 Auditee qualified as low-risk auditee? _____ X Yes _____ No

AREA AGENCY ON AGING FOR SOUTHWEST FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE, CONTINUED
Year ended December 31, 2020

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified?	_____	Yes	_____	X	_____	No
Significant deficiency(ies) identified?	_____	Yes	_____	X	_____	None reported
Type of auditors report issued on compliance for major programs	Unqualified					
Any audit findings disclosed that are required to be reported in accordance with Rules of Auditor General 10.654(1)(g)?	_____	Yes	_____	X	_____	No

Identification of major programs (Type A):

CSFA	
<u>Number(s)</u>	<u>Name of State Project or Cluster</u>
65.010	Community Care For The Elderly

Dollar threshold used to distinguish between Type A and Type B programs Threshold used was \$750,000

Section II- Financial Statement Findings

There were no material weaknesses or instances of noncompliance related to the financial statements.

Section III- Federal Award and State Financial Assistance Findings and Questioned Costs

There were no audit findings related to federal awards required to be reported by 2 CFR Section 200.516(a).

There were no audit findings related to State Financial Assistance required to be reported by Rules of the Auditor General 10.654(1)(g).

Section IV- Status of Federal and/or State Prior Year Findings Assistance Findings

There were no prior year findings.



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Board of Directors
Area Agency on Aging for Southwest Florida, Inc.

We have audited the financial statements of Area Agency on Aging for Southwest Florida, Inc. (the "Agency") as of and for the year ended, December 31, 2020, and have issued our report thereon dated October 5, 2021.

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 the Florida Single Audit Act (Florida Statute 215.97). 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 Financial Statements Performed in Accordance with Government Auditing Standards, Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and the Florida Single Act (Florida Statute 215.97), and Schedule of Findings and Questioned Costs-Federal Awards and State Financial Assistance, and the disclosures in those reports and schedule, which are dated October 5, 2021 should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.650 of the Rules of the Auditor General of the State of Florida, which requires disclosure in the management letter of violations of provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements or State project amounts that is less than material but more than inconsequential. In addition, for matters that have an inconsequential effect on the financial statements or State project amounts, considering both quantitative and qualitative factors, the following may be reported based on professional judgment: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, that have occurred, or are likely to have occurred, (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, the following matters are required to be disclosed:

Affiliations

American Institute of Certified Public Accountants ♦ Florida Institute of Certified Public Accountants

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Fort Myers ♦ Jacksonville* ♦ Miami ♦ Naples* ♦ Orlando* ♦ Sanibel ♦ Tampa* ♦ West Palm Beach*

*By Appointment Only

Prior year comment that continues to apply:

NONE

Current year comments:

NONE

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this is intended solely for the information and use of the Board of Directors, management, federal and state awarding agencies, and pass-through entities, the Auditor General of the State of Florida, and federal and state audit agencies. This report is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Stroemer & Company, LLC", is written over a horizontal line.

STROEMER & COMPANY, LLC
Fort Myers, Florida
October 5, 2021