

**MID-FLORIDA AREA AGENCY  
ON AGING, INC.  
D/B/A ELDER OPTIONS**

**Consolidated Financial  
Statements**

**Year Ended  
December 31, 2020**

**MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS**  
**TABLE OF CONTENTS**  
**DECEMBER 31, 2020**

	<b>Page(s)</b>
<b>Independent Auditors' Report</b>	1 – 2
<b>Financial Statements</b>	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7 – 12
<b>Supplemental Information</b>	
<b>Schedule of Expenditures of Federal Awards and State Financial Assistance</b>	13 – 14
<b>Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance</b>	15
<b>Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	16 – 17
<b>Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and State of Florida Chapter 10.650, <i>Rules of the Auditor General</i></b>	18 – 19
<b>Schedule of Findings and Questioned Costs</b>	20 – 24
<b>Corrective Action Plan</b>	25



**Partners**

W. Ed Moss, Jr.  
Joe M. Krusick  
Cori G. Cameron  
Bob P. Marchewka  
Ric Perez  
Thomas F. Regan  
Ernie R. Janvrin  
Richard F. Hayes  
Renee C. Varga  
Shawn M. Marshall

Winter Park, FL 32789  
501 S. New York Ave.  
Suite 100  
Phone: 407-644-5811  
www.mosskrusick.com

N. Palm Beach, FL 33408  
631 US Highway One  
Suite 405  
Phone: 561-848-9300

Miami Lakes, FL 33016  
7900 NW 155<sup>th</sup> Street  
Suite 201  
Phone: 305-445-7956

American Institute of  
Certified Public  
Accountants

Florida Institute of  
Certified Public  
Accountants

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Mid-Florida Area Agency on Aging, Inc.,  
d/b/a Elder Options  
Gainesville, Florida

**Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Mid-Florida Area Agency on Aging, Inc., d/b/a Elder Options (the "Agency"), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 auditors' 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.

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mid-Florida Area Agency on Aging, Inc., d/b/a Elder Options 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.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of Florida Chapter 10.650, *Rules of the Auditor General*, is 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.

### *Prior Period Financial Statements*

The consolidated financial statements of Mid-Florida Area Agency on Aging, Inc., d/b/a Elder Options as of December 31, 2019, were audited by other auditors whose report dated November 13, 2020, expressed an unmodified opinion on those statements.

### *Prior Period Adjustment*

As discussed in Note 8 to the consolidated financial statements, the 2019 consolidated financial statements have been restated to correct a misstatement. We have audited the adjustment to restate the statements as described in Note 8. In our opinion, the adjustment is appropriate and has been properly applied. We were not engaged to audit, review, or apply any procedures to the 2019 consolidated financial statements of the Agency other than with respect to the adjustment and, accordingly, we do not express an opinion or any other form of assurance on the 2019 consolidated financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2021, on our consideration of the Agency'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 effectiveness of the Agency's 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 Agency's internal control over financial reporting and compliance.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
September 1, 2021

**MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**December 31, 2020**

**ASSETS**

**Current assets**

Cash and cash equivalents	\$ 2,138,349
Grant and contract receivables, net of allowance of \$498,433	4,499,409
Prepaid expenses	<u>332,041</u>

Total current assets 6,969,799

**Property and equipment**, net of accumulated depreciation 1,047,401

**Total Assets** \$ 8,017,200

**LIABILITIES AND NET ASSETS**

**Current liabilities**

Accounts payable and accrued expenses	\$ 3,337,665
Unearned revenue	350,525
Current portion of mortgage payable	<u>125,122</u>

Total current liabilities 3,813,312

**Long-term liabilities**

Mortgage payable, less current portion 119,923

**Total Liabilities** 3,933,235

**Net assets**

Without donor restrictions	
Undesignated	3,211,609
Board designated - Anchor of North Central Florida, LLC	70,000
Property and equipment, net of related debt	<u>802,356</u>

Total net assets 4,083,965

**Total Liabilities and Net Assets** \$ 8,017,200

The accompanying notes to consolidated financial statements are an integral part of this statement.

**MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Without Donor Restrictions</b>
<b>Support and revenues</b>	
Federal and state awards	\$ 24,926,231
Contributions and other awards	2,301,375
In-kind	393,678
Total support and revenues	27,621,284
<b>Expenses</b>	
<b>Program services</b>	
Personnel and benefits	2,782,531
Subcontract	1,844,364
In-kind	105,904
Other direct costs	82,577
Repairs and maintenance	108,195
Communication and utilities	121,240
Printing and supplies	62,781
Travel	31,360
Rent	3,918
Payments to subrecipients:	
Title III	11,571,328
Community care for the elderly	4,601,733
Alzheimer's disease initiative	1,891,603
Home care for the elderly	645,284
Energy assistance	581,843
Nutrition services	424,317
Local services program	97,039
Total program services	24,956,017
<b>Administrative services</b>	1,849,434
<b>Total expenses</b>	26,805,451
<b>Change in net assets</b>	815,833
<b>Net assets</b> , beginning of year, as restated (see note 8)	3,268,132
<b>Net assets</b> , end of year	\$ 4,083,965

The accompanying notes to consolidated financial statements are an integral part of this statement.

**MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>Expenses</b>	<b>Program Services</b>	<b>Administrative Services</b>	<b>Total</b>
Personnel and benefits	\$ 2,782,531	\$ 1,030,091	\$ 3,812,622
Subcontract	1,844,364	653	1,845,017
In-kind	105,904	287,774	393,678
Other direct costs	82,577	271,941	354,518
Repairs and maintenance	108,195	67,531	175,726
Communication and utilities	121,240	45,713	166,953
Printing and supplies	62,781	49,199	111,980
Depreciation	-	69,918	69,918
Travel	31,360	10,816	42,176
Interest	-	14,517	14,517
Rent	3,918	1,281	5,199
Payments to subrecipients	19,813,147	-	19,813,147
<b>Total expenses</b>	<b>\$ 24,956,017</b>	<b>\$ 1,849,434</b>	<b>\$ 26,805,451</b>

The accompanying notes to consolidated financial statements are an integral part of this statement.

**MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>Cash flows from operating activities</b>	
Cash received from grantors and contractors	\$ 25,061,958
Cash paid to employees, vendors, and subrecipients	(25,786,256)
Interest paid	<u>(14,517)</u>
Net cash used in operating activities	(738,815)
<b>Cash flows from investing activities</b>	
Purchases of property and equipment	(104,025)
<b>Cash flows from financing activities</b>	
Principal payments on mortgage payable	<u>(118,654)</u>
<b>Net decrease in cash and cash equivalents</b>	(961,494)
<b>Cash and cash equivalents, beginning of year</b>	<u>3,099,843</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 2,138,349</u></u>

The accompanying notes to consolidated financial statements are an integral part of this statement.

**MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies and practices of Mid-Florida Area Agency on Aging, Inc., Inc. d/b/a Elder Options and its wholly-owned subsidiary, Anchor of North Central Florida, LLC (the "Agency") which affect significant elements of the accompanying consolidated financial statements:

(a) **Agency and purpose**—The Agency is a nonprofit organization established as a program funding and monitoring intermediary for various aging and adult service programs in the State of Florida. The Agency also provides an information and referral service for older Americans in the Mid-Florida area.

The Agency's funding is generally provided on a pass-through basis from the U.S. Department of Health and Human Services, and directly from the State of Florida Department of Elder Affairs.

(b) **Basis of presentation and principle of consolidation**—The Agency's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, and include the financial activity of Mid-Florida Area Agency on Aging, Inc., Inc. d/b/a Elder Options, including its wholly-owned subsidiary, Anchor of North Central Florida, LLC. All significant interorganizational transactions have been eliminated in consolidation.

These consolidated financial statements, which are presented on the accrual basis of accounting, have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions. The Agency reports information regarding its financial position and activities according to two classes of net assets: without donor restriction and with donor restrictions.

Net assets without donor restrictions—Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Agency. The Agency's board may designate assets without restrictions for specific purposes.

Net assets with donor restrictions—Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Agency or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

At December 31, 2020, the Agency did not have net assets with donor restrictions.

(c) **Cash and cash equivalents**—For the purpose of reporting cash flows, cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of 90 days or less.

(d) **Grant and contract receivables**—Grant and contract receivables are stated at the amount management expects to collect from balances outstanding at year-end. The allowance for credit losses is based on management's assessment of the collectability of specific contract accounts, aging of the receivables, historical experience, and other currently available evidence.

**MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **Property and equipment**—Property and equipment acquired by the Agency are considered to be owned by the Agency. However, funding sources may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The State of Florida has a reversionary interest in those assets purchased with its funds which have a cost of \$1,000 or more and an estimated useful life of at least one year. The Federal government has a reversionary interest in those assets purchased with its funds which have a cost of \$5,000 or more and an estimated useful life of at least one year.

Property and equipment with a value greater than \$5,000 and an estimated useful life of at least one year are recorded at cost when purchased or at estimated fair value when contributed. Depreciation is computed using the straight-line method over the estimated useful life of the assets, ranging from three to thirty years.

(f) **Revenue recognition**—In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2014-09, *Revenue from Contracts with Customers* (ASC 606), which prescribes a single, common revenue standard to replace most existing revenue recognition guidance, including most industry-specific requirements. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

The Agency adopted ASC 606 and all related amendments effective January 1, 2020. The adoption had no significant impact on the Agency's financial statements.

The Agency receives substantially all of its grants and contract revenue from Federal and State agencies. The Agency recognizes contract revenue (up to the contract ceiling) from its contracts over a period which represents the service period for certain contracts, or to the extent of expenses. Revenue recognition depends on the contract. Any funding source may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of non-compliance with the terms of the grants/contracts.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Agency reports the support as net assets without donor restrictions.

Donated property, equipment and other non-cash donations are recorded as contributions at their fairmarket value at the date of donation. The Agency reports the donations as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Agency receives program and administrative services without charge. The estimated value of these items is \$393,678 which has been recognized in the consolidated statement of activities as in-kind revenue and expense.

**MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

(1) **Summary of Significant Accounting Policies:** (Continued)

(g) **Income taxes**—The Agency is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and therefore, no provision for income taxes has been made in the accompanying consolidated financial statements.

The Agency files income tax returns in the U.S. Federal jurisdiction. The Agency's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

The Agency has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Agency.

(h) **Advertising**—Advertising costs are charged to operations as incurred. Advertising costs for the year ended December 31, 2020 were \$28,583.

(i) **Functional allocation of expenses**—The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on personnel hours.

(j) **Use of estimates**—The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(k) **Subsequent events**—The Agency has evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through September 1, 2021, the date the consolidated financial statements were available to be issued. No subsequent events have been recognized or disclosed.

(l) **Recent accounting pronouncements**—The FASB has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with the required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the Agency's consolidated financial statements.

In February 2016, the FASB issued Accounting Standards Update 2016-02: *Leases (Topic 842)*, to increase transparency and comparability among the Agency by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The new standard is effective for fiscal years beginning after December 15, 2021 and may be adopted early. The Agency is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

**MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

(2) **Concentrations of Credit Risk:**

The more significant concentrations of credit risk are as follows:

- a. **Deposits**—The Agency maintains deposits with a single financial institution. The Agency has no policy requiring collateral or other security to support its deposits. At the bank, amounts are insured up to limits established by the Federal Depository Insurance Corporation.
- b. **Grant and contract receivables**—The Agency's receivables are for amounts due under contracts with the State of Florida, Federal government agencies. The Agency has no policy requiring collateral or other security to support its receivables.

(3) **Property and Equipment:**

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

Building	\$ 1,333,918
Furniture and equipment	<u>469,303</u>
	1,803,221
Less: Accumulated depreciation	<u>(755,820)</u>
Total	<u>\$ 1,047,401</u>

Depreciation expense for the year was \$69,918.

(4) **Significant Funding Sources:**

The Agency receives a substantial amount of its funding from the State of Florida, Department of Elder Affairs and the United States Department of Health and Human Services passed through the State of Florida, Department of Elder Affairs.

U.S. Department of Health and Human Services	65%
State of Florida Department of Elder Affairs	30%

A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on the Agency's programs and activities.

(5) **Retirement Plan:**

The Agency sponsors a defined contribution retirement plan covering all of its full-time employees who have been employed more than 1 year. Contributions for the year ended December 31, 2020, were 14% of each covered employee's salary. The amount of pension plan expense for the year ended December 31, 2020 was \$361,678.

**MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

(6) **Liquidity and Availability:**

The Agency strives to maintain liquid financial assets sufficient to cover general expenditures. Financial assets in excess of daily cash requirements are used for the Agency objectives outlined in Note 1 above. Financial assets available for general expenditure, that is, without donor restrictions or board designations limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 2,138,349
Grant and contract receivables	<u>4,499,409</u>
Total financial assets	6,637,758
Less those funds unavailable for general expenditures within one year due to board designations	<u>(70,000)</u>
Financial assets available to meet cash needs for general expenditures	<u>\$ 6,567,758</u>

(7) **Mortgage Payable:**

Mortgage payable at December 31, 2020 consists of the following:

4.75% mortgage payable to bank, payable in monthly installments of \$11,174, including interest, through November 2022. The mortgage is collateralized by building.	\$ 245,045
Less current portion	<u>125,122</u>
Mortgage payable, less current portion	<u>\$ 119,923</u>

Current maturities of mortgage payable for each of the next five years and thereafter are as follows:

Year	Amount
2021	\$ 125,122
2022	<u>119,923</u>
	<u>\$ 245,045</u>

The Agency's mortgage with the bank contains certain restrictive covenants, including maintaining a minimum debt service coverage ratio. At December 31, 2020, the Agency met the minimum debt service coverage ratio covenant.

**MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

(8) **Restatement of Net Assets:**

The Agency's consolidated financial statements as of December 31, 2019, contained the following error: overstatement of unearned revenue by \$1,292,447. Net assets as of January 1, 2020, has been increased by \$1,292,447 to correct the effect of the error. Had the error not been made, change in net assets for 2019 would have been increased by \$1,292,447.

	<u>2020</u>
Net assets at beginning of year, as previously reported	\$ 1,975,685
Prior period adjustment	<u>1,292,447</u>
Net assets at beginning of year, as restated	<u>\$ 3,268,132</u>

(9) **Risks and Uncertainties:**

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Agency's financial condition, liquidity, and future results of operation. Management is actively monitoring the global pandemic situation.

**SUPPLEMENTAL INFORMATION**

**MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor/Pass-Through Grantor/ State Grantor/Program or Cluster Title	Federal CFDA Number	State CFSA Number	Pass-Through Entity Award Number	Pass-Through to Subrecipients	Expenditures
<b>FEDERAL AWARDS</b>					
<b>U.S. Department of Health and Human Services</b>					
Passed through State of Florida, Department of Elder Affairs					
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	-	CA020/CCA20	\$ 2,803,222	\$ 4,083,264
CARES Act - No Wrong Door	93.044	-	CXC20	-	14,229
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	-	CA020/CCA20	7,855,864	8,706,734
CARES Act - No Wrong Door	93.045	-	CXC20	-	30,340
Nutrition Services Incentive Program	93.053	-	CA020	424,317	424,317
			<b>Total Aging Cluster Expenditures</b>	<u>11,083,403</u>	<u>13,258,884</u>
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	-	C7020	-	13,351
National Family Caregiver Support, Title III, Part E	93.052	-	CA020/CCA20	912,242	1,439,542
CARES Act - No Wrong Door	93.052	-	CXC20	-	5,016
				<u>912,242</u>	<u>1,444,558</u>
Special Programs for the Aging, Title III, Part D, Disease and Health Promotion Services	93.043	-	CA020	-	172,493
Low-Income Home Energy Assistance	93.568	-	CP019/CPC20	581,843	632,258
State Health Insurance Assistance Program	93.324	-	CN019/CN020	-	181,021
Medical Assistance Program	93.778	-	CX017/CX020	-	288,299
			<b>Total Medicaid Cluster</b>	<u>-</u>	<u>288,299</u>
Medicare Enrollment Assistance Program	93.071	-	CB020/CB021	-	162,491
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	-	CG019/CG020	-	36,718
Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds	93.761	-	CF019	-	3,813
Empowering Older Adults and Adults with Disabilities through Chronic Disease Self-Management Education Programs Financed by Prevention and Public Health Funds	93.734	-	90CSSG0032-01-00	-	16,247
<b>Total Department of Health and Human Services</b>				<u>12,577,488</u>	<u>16,210,133</u>
<b>U.S. Department of Justice</b>					
Passed through Office on Violence Against Women					
Enhanced Training and Services to End Violence and Abuse of Women Later Life	16.528	-	2018-EW-AX-K013	-	93,220
<b>Total Federal Awards</b>				<u>\$ 12,577,488</u>	<u>\$ 16,303,353</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor/Pass-Through Grantor/ State Grantor/Program Title	Federal CFSA Number	State CFSA Number	Award Number	Pass-Through to Subrecipients	Expenditures
<b>STATE FINANCIAL ASSISTANCE</b>					
<b>State of Florida, Department of Elder Affairs</b>					
Home Care for the Elderly	-	65.001	CH019/CH020	\$ 645,284	\$ 714,666
Alzheimer's Respite Service	-	65.004	CZ019/CZ020	1,891,603	1,891,603
Alzheimer's Model Day Care, Memory Disorder Clinics, and Alzheimer Special Projects	-	65.002	CZ019/CZ020	-	35,983
Local Services Programs	-	65.009	CL019/CL020	97,039	100,447
Community Care for the Elderly	-	65.010	CC019/CC020	4,601,733	4,794,657
<b>Total State Financial Assistance</b>				<b>7,235,659</b>	<b>7,537,356</b>
<b>Total Federal Awards and State Financial Assistance</b>				<b>\$ 19,813,147</b>	<b>\$ 23,840,709</b>

See Accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

**MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the Federal awards and State financial assistance activity of Mid-Florida Area Agency on Aging, Inc., d/b/a Elder Options under programs of the Federal and State government for the year ended December 31, 2020 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 Chapter 10.650, Rules of the State of Florida, Office of the Auditor General. Because the Schedule presents only a selected portion of the operations of Mid-Florida Area Agency on Aging, Inc., d/b/a Elder Options it is not intended to and does not present the financial position, changes in net assets, or cash flows of Mid-Florida Area Agency on Aging, Inc., d/b/a Elder Options.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**Note 3. De Minimus Indirect Cost Rate Election**

Mid-Florida Area Agency on Aging, Inc., d/b/a Elder Options has elected not to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.



**Partners**

W. Ed Moss, Jr.  
Joe M. Krusick  
Cori G. Cameron  
Bob P. Marchewka  
Ric Perez  
Thomas F. Regan  
Ernie R. Janvrin  
Richard F. Hayes  
Renee C. Varga  
Shawn M. Marshall

Winter Park, FL 32789  
501 S. New York Ave.  
Suite 100  
Phone: 407-644-5811  
www.mosskrusick.com

N. Palm Beach, FL 33408  
631 US Highway One  
Suite 405  
Phone: 561-848-9300

Miami Lakes, FL 33016  
7900 NW 155<sup>th</sup> Street  
Suite 201  
Phone: 305-445-7956

American Institute of  
Certified Public  
Accountants

Florida Institute of  
Certified Public  
Accountants

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

To The Board of Directors of  
Mid-Florida Area Agency on Aging, Inc.,  
d/b/a Elder Options  
Gainesville, Florida

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 consolidated financial statements of Mid-Florida Area Agency on Aging, Inc., d/b/a Elder Options (the "Agency"), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 1, 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) as a basis for designing 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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as described in the accompanying schedule of findings and questioned costs we did identify a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2020-001 to be a significant deficiency.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

### **Mid-Florida Area Agency on Aging, Inc.'s Response to Findings**

Mid-Florida Area Agency on Aging, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Mid-Florida Area Agency on Aging, Inc.'s response was not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on it.

### **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 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.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
September 1, 2021



**Partners**

W. Ed Moss, Jr.  
Joe M. Krusick  
Cori G. Cameron  
Bob P. Marchewka  
Ric Perez  
Thomas F. Regan  
Ernie R. Janvrin  
Richard F. Hayes  
Renee C. Varga  
Shawn M. Marshall

Winter Park, FL 32789  
501 S. New York Ave.  
Suite 100  
Phone: 407-644-5811  
www.mosskrusick.com

N. Palm Beach, FL 33408  
631 US Highway One  
Suite 405  
Phone: 561-848-9300

Miami Lakes, FL 33016  
7900 NW 155<sup>th</sup> Street  
Suite 201  
Phone: 305-445-7956

American Institute of  
Certified Public  
Accountants

Florida Institute of  
Certified Public  
Accountants

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

To the Board of Directors of  
Mid-Florida Area Agency on Aging, Inc.,  
d/b/a Elder Options  
Gainesville, Florida

**Report on Compliance for Each Major Federal Program and State Project**

We have audited Mid-Florida Area Agency on Aging, Inc., d/b/a Elder Options' ("the Agency,") compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the *Florida Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of 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 auditors' 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 financial assistance applicable to its federal programs and state projects.

**Auditors' 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of Florida Chapter 10.650, *Rules of the Auditor General*. Those standards and the Uniform Guidance 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 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 the Agency 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, and State of Florida 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 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 a 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 a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
September 1, 2021

**MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Section I – Summary of Auditors’ Results**

**Financial Statements**

- |   |            |
|---|------------|
| 1. Type of auditors’ report issued:   | Unmodified |
| 2. Internal control over financial reporting:   |            |
| a. Material weakness(es) identified?  | No         |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | Yes        |
| 3. Noncompliance material to financial statements noted?                                  | No         |

**Federal Awards**

- |   |               |
|---|---------------|
| 1. Type of auditors’ report issued on compliance for major programs:                              | Unmodified    |
| 2. Internal control over major programs:  |               |
| a. Material weakness(es) identified?  | No            |
| b. Significant deficiencies identified that are not considered to be material weaknesses?         | None reported |
| 3. Audit findings disclosed that are required to be reported in accordance with Uniform Guidance? | No            |
| 4. Dollar threshold used to distinguish between Type A and Type B programs                        | \$750,000     |
| 5. Auditee qualified as low-risk auditee?   | No            |

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Aging Cluster	93.044, 93.045, 93.053
National Family Caregiver Support, Title III, Part E	93.052

**MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Section I – Summary of Auditors’ Results (continued)**

**State Financial Assistance**

- |  |               |
|--|---------------|
| 1. Type of auditors’ report issued on compliance for major projects:   | Unmodified    |
| 2. Internal control over major projects:   |               |
| a. Material weakness(es) identified?   | No            |
| b. Significant deficiencies identified that are not considered to be material weaknesses?  | None reported |
| 3. Audit findings disclosed that are required to be reported in accordance with the Florida Single Audit Act and Chapter 10.650, <i>Rules of the Auditor General</i> |               |
|  | No            |
| 4. Dollar threshold used to distinguish between Type A and Type B projects   |               |
|  | \$750,000     |

Identification of major projects:

<u>Name of State Projects</u>	<u>CSFA Number</u>
Community Care for the Elderly	65.010
Alzheimer’s Disease Initiative	65.004
Home Care for the Elderly	65.001

**Section II – Financial Statement Findings**

**Finding 2020-001 Repeat of PY 2019-001: Bank Reconciliations**

**Criteria:** Bank reconciliations should reconcile to the general ledger and be reviewed for any significant outstanding items.

**Condition:** Bank reconciliations do not reconcile to the general ledger.

**Cause:** Lack of effective controls surrounding bank reconciling process.

**Effect:** Errors or fraud may occur and not be detected on a timely basis.

**Recommendation:** We recommend management review bank reconciliations on a monthly basis to ensure balances agree to general ledger.

**Section III – Federal Award and State Projects Findings and Questioned Costs**

None (there are no items related to Federal Awards and State financial assistance required to be reported in the management letter, therefore no management letter issued)

**MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Section IV – Status of Prior Year Audit Findings**

**I. Financial Statement Findings:**

**Finding 2019-001: Bank Reconciliations**

**Criteria:** Bank reconciliations should reconcile to the general ledger and be reviewed for any significant outstanding items.

**Condition:** Bank reconciliations do not reconcile to the general ledger.

**Cause:** Lack of effective controls surrounding bank reconciling process.

**Effect:** Errors or fraud may occur and not be detected on a timely basis.

**Recommendation:** We recommend management review bank reconciliations on a monthly basis to ensure balances agree to general ledger.

**Status:** Unresolved. See current year finding 2020-001.

**Finding 2019-002: Preparation of Financial Statements and Significant Adjustments**

**Criteria:** Management is responsible for the preparation and fair presentation of these financial statements.

**Condition:** Adjustments were required to be made to the accounting records subsequent to the start of the audit process. Since these cumulative adjustments resulted in a material misstatement of the financial statements, this deficiency is deemed to be a material weakness.

**Cause:** Management did not have an effective closing process in place resulting in significant year-end adjustments.

**Effect:** Incorrect recording of accounting records could lead to a material misstatement on the financial statements.

**Recommendation:** We recommend that the process for identifying accounting transactions be reviewed and updated.

**Status:** Resolved. The Agency removed the Chief Financial Officer and has outsourced this position to a CPA firm. The Agency revised all financial and accounting process and procedures with the new CFO. As a result, the finding has been addressed and corrective action has been taken by the Agency.

**MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Section IV – Status of Prior Year Audit Findings (continued)**

**I. Financial Statement Findings: (continued)**

**Finding 2019-003: Journal Entries and Disbursement Approval**

**Criteria:** Internal controls are designed to safeguard assets and help prevent or detect losses from employee dishonesty or error. A fundamental concept in a good system of internal control is policies and procedures surrounding review and approval of transactions.

**Condition:** Journal entries and disbursements were made with no indication of approval and entries did not have proper supporting documentation.

**Cause:** Lack of well-defined review and approval procedures.

**Effect:** Potential misstatement or errors or irregularities in the financial statements and unauthorized expenses.

**Recommendation:** We recommend review procedures be established over journal entries on an ongoing basis and procedures adopted to ensure all entries have proper supporting documentation and approval.

**Status:** Resolved. The Agency removed the Chief Financial Officer and has outsourced this position to a CPA firm. The Agency revised all financial and accounting process and procedures with the new CFO. As a result, the finding has been addressed and corrective action has been taken by the Agency.

**II. Federal Award Findings and Questioned Costs:**

**Finding 2019-004: Aging Cluster (CFDA #93.044, 93.045, and 93.053), and National Family Caregiver Support, Title III, Part E (CFDA #93.052) - Disbursement Approval - Compliance Requirements: Activities Allowed and Unallowed and Allowable Costs**

**Criteria:** Internal controls are designed to safeguard assets and help prevent or detect losses from employee dishonesty or error. A fundamental concept in a good system of internal control is policies and procedures surrounding review and approval of transactions.

**Condition:** Two out of the eighty disbursement selected for testing had no indication of approval. The lack of approval represents a control finding over compliance for these federal programs. There were no questioned costs noted during testing for these federal programs.

**Cause:** Lack of well-defined review and approval procedures.

**Effect:** Potential misstatement or errors or irregularities in the financial statements and unauthorized expenses.

**Recommendation:** We recommend review procedures be established over transactions on an ongoing basis and procedures adopted to ensure all entries have proper approval.

**Status:** Resolved. The Agency removed the Chief Financial Officer and has outsourced this position to a CPA firm. The Agency revised all financial and accounting process and procedures with the new CFO. As a result, the finding has been addressed and corrective action has been taken by the Agency.

**MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Section IV – Status of Prior Year Audit Findings (continued)**

**III. State Project Findings and Questioned Costs:**

**Finding 2019-005: Home Care for the Elderly, Alzheimer’s Respite Services, and Community Care for the Elderly (CFSA #65.001, 65.004, and 65.010) - Disbursement Approval - Compliance Requirements: Activities Allowed and Unallowed and Allowable Costs**

**Criteria:** Internal controls are designed to safeguard assets and help prevent or detect losses from employee dishonesty or error. A fundamental concept in a good system of internal control is policies and procedures surrounding review and approval of transactions.

**Condition:** Eight out of the one-hundred and twenty disbursements selected for testing had no indication of approval. The lack of approval represents a control finding over compliance for these state programs. There were no questioned costs noted during testing for these state programs.

**Cause:** Lack of well-defined review and approval procedures.

**Effect:** Potential misstatement or errors or irregularities in the financial statements and unauthorized expenses.

**Recommendation:** We recommend review procedures be established over transactions on an ongoing basis and procedures adopted to ensure all entries have proper approval.

**Status:** Resolved. The Agency removed the Chief Financial Officer and has outsourced this position to a CPA firm. The Agency revised all financial and accounting process and procedures with the new CFO. As a result, the finding has been addressed and corrective action has been taken by the Agency.



100 S.W. 75<sup>th</sup> Street, Suite 301  
Gainesville, FL 32607

**Elder Helpline** (800) 262-2243  
**Fax** (352) 378-1256  
[www.agingresources.org](http://www.agingresources.org)

## MEMORANDUM

**To:** Moss, Krusick & Associates

**From:** Kristen Griffis, Chief Executive Officer

A handwritten signature in blue ink, appearing to be "KG", is written over the name Kristen Griffis.

**Re:** Management Response – 2020 Audit

**Date:** August 25, 2021

Elder Options acknowledges the key issues identified in the schedule of findings and questioned costs for the year ended December 31, 2020. We wish to highlight below how we have taken seriously the audit findings by urgently mitigating high risk issues while consistently pursuing overall improvements to operations and actions to address all recommendations.

### **Finding 2020-001: Bank Reconciliations**

Elder Options removed the Chief Financial Officer and has outsourced this position to a CPA firm. Elder Options assigned staff to review the bank reconciliation process, reduce the backlog of reconciling items, and identify improvements. Elder Options implemented procedures that includes management review of the bank reconciliations on a monthly basis to ensure balances agree to general ledger. Elder Options will review all financial and accounting processes and procedures with the new CFO and update them as needed. Elder Options will identify training opportunities for staff and restructure staff and functions as needed.

