

ST. JOHNS COUNTY COUNCIL ON AGING, INC.
FINANCIAL REPORT

Year Ended December 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
St. Johns County Council on Aging, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of St. Johns County Council on Aging, Inc. (a Florida not-for-profit corporation), 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Johns County Council on Aging, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state projects, 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*, and Chapter 10.650, *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 our report dated March 8, 2022, on our consideration of St. Johns County Council on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Johns County Council on Aging, Inc.'s internal control over financial reporting and compliance.

Subsequent Event: COVID-19 Pandemic

As discussed in Note 18 to the financial statements, management has evaluated the operational and financial effect on the Organization of the COVID-19 pandemic. Our opinion is not modified with respect to that matter.

Adam Krueger & Associates CPAs, LLC

St. Augustine, FL
March 8, 2022

ST. JOHNS COUNTY COUNCIL ON AGING, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2020

ASSETS

Cash and cash equivalents	\$ 559,117
Accounts receivable	23,977
Government grants and contracts receivable	1,342,073
Unconditional promises to give, net	95,014
Property and equipment, net	4,000,323
Other assets, net	<u>44,444</u>
TOTAL ASSETS	<u>\$ 6,064,948</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 311,994
Accrued expenses and other liabilities	124,040
Line of credit	76,016
Deferred revenue	35,643
Long-term debt, net	<u>2,685,161</u>
TOTAL LIABILITIES	<u>3,232,854</u>

NET ASSETS

Without donor restrictions	2,737,080
With donor restrictions	<u>95,014</u>
TOTAL NET ASSETS	<u>2,832,094</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,064,948</u>

See accompanying notes

ST. JOHNS COUNTY COUNCIL ON AGING, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

	<u>Unrestricted</u>	<u>Donor Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Government grants and contracts	\$ -	\$ 5,350,122	\$ 5,350,122
Contributions	761,567	-	761,567
Refundable advances	-	832,500	832,500
Program service fees	449,505	-	449,505
River House event income	361,578	-	361,578
Investment income	101	-	101
Other revenue	<u>137,942</u>	<u>-</u>	<u>137,942</u>
Total revenue and support	<u>1,710,693</u>	<u>6,182,622</u>	<u>7,893,315</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>6,182,622</u>	<u>(6,182,622)</u>	<u>-</u>
EXPENSES			
Program services	5,850,887	-	5,850,887
Administrative, management and general	1,543,396	-	1,543,396
Fundraising	<u>32,581</u>	<u>-</u>	<u>32,581</u>
Total expenses	<u>7,426,864</u>	<u>-</u>	<u>7,426,864</u>
CHANGE IN NET ASSETS	466,451	-	466,451
NET ASSETS, BEGINNING	<u>2,270,629</u>	<u>95,014</u>	<u>2,365,643</u>
NET ASSETS, ENDING	<u>\$ 2,737,080</u>	<u>\$ 95,014</u>	<u>\$ 2,832,094</u>

See accompanying notes

ST. JOHNS COUNTY COUNCIL ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services						
	Adult Day Care	Caregiver Support/ Training	Case Aide	Case Management	Companionship	Congregate Meals C1	Congregate Meals (Screening) C1
Salaries and wages	\$ 4,087	\$ 4,226	\$ 1,168	\$ 28,217	\$ 29,205	\$ 41,252	\$ 4,431
Payroll taxes and benefits	693	716	198	4,784	4,950	6,993	751
Travel	48	-	-	357	1,742	-	-
Education/training	-	-	-	-	-	472	-
Communications and postage	-	-	-	-	-	-	-
Utilities	107	109	30	727	764	1,063	114
Printing and supplies	168	173	48	1,153	1,210	1,686	181
Insurance	1,521	1,573	435	10,500	10,958	15,351	1,650
Maintenance and repair	534	551	152	3,684	3,866	5,385	578
Professional fees/legal/audit	-	-	-	-	-	-	-
Sub-contractors	487	505	140	3,570	60,968	4,927	3,937
Interest	90	93	26	625	661	914	98
Program supplies	679	702	194	4,686	4,852	6,850	736
Depreciation	-	-	-	-	-	-	-
Food and food supplies	-	-	-	-	-	61,564	-
Other	-	-	-	-	-	-	-
Total expenses before allocation of management and general expenses	8,414	8,648	2,391	58,303	119,176	146,457	12,476
Allocation of management and general expenses	2,155	2,215	612	14,934	30,526	37,514	3,196
Total expenses after allocation of management and general expenses	<u>\$ 10,569</u>	<u>\$ 10,863</u>	<u>\$ 3,003</u>	<u>\$ 73,237</u>	<u>\$ 149,702</u>	<u>\$ 183,971</u>	<u>\$ 15,672</u>

See accompanying notes

ST. JOHNS COUNTY COUNCIL ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

Program Services

	Counseling	Education/ Training	Health Support	Home Delivered Meals	Homemaker	Intake	Nutrition Education	Personal Care
Salaries and wages	\$ 9,644	\$ 7,776	\$ 4,681	\$ 101,951	\$ 59,758	\$ 741	\$ 1,614	\$ 15,742
Payroll taxes and benefits	1,635	1,319	793	17,283	10,130	126	273	2,669
Travel	-	-	-	-	6,223	-	-	3,573
Education/training	-	-	-	-	-	-	-	-
Communications and postage	-	-	-	-	-	-	-	-
Utilities	248	200	121	2,626	1,539	19	41	405
Printing and supplies	394	318	192	4,166	2,443	31	66	644
Insurance	3,588	2,893	1,742	37,938	22,238	275	601	5,857
Maintenance and repair	1,259	1,015	611	13,308	7,801	97	211	2,055
Professional fees/legal/audit	-	-	-	-	-	-	-	-
Sub-contractors	-	8,073	559	12,176	57,617	89	193	21,533
Interest	213	172	103	2,258	1,324	17	36	348
Program supplies	1,602	1,291	778	16,930	18,665	123	268	2,614
Depreciation	-	-	-	-	-	-	-	-
Food and food supplies	-	-	-	61,131	-	-	9,151	-
Other	-	-	-	-	-	-	-	-
Total expenses before allocation of management and general expenses	18,583	23,057	9,580	269,767	187,738	1,518	12,454	55,440
Allocation of management and general expenses	4,760	5,906	2,454	69,098	48,087	389	3,190	14,200
Total expenses after allocation of management and general expenses	\$ 23,343	\$ 28,963	\$ 12,034	\$ 338,865	\$ 235,825	\$ 1,907	\$ 15,644	\$ 69,640

See accompanying notes

ST. JOHNS COUNTY COUNCIL ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

Program Services

	Pest Control (Initiation)	Pest Control (Maintenance)	Recreation	Respite (Facility Based)	Respite (In-Home)	Screening/Assessment
Salaries and wages	\$ 3	\$ 267	\$ 40,444	\$ 51,281	\$ 71,619	\$ 6,930
Payroll taxes and benefits	1	53	6,856	8,694	12,141	1,174
Travel	-	-	-	48	3,140	-
Education/training	-	-	-	-	-	-
Communications and postage	-	-	-	-	-	-
Utilities	-	7	1,042	1,321	1,844	178
Printing and supplies	-	11	1,653	2,095	2,927	283
Insurance	2	100	15,051	19,084	26,650	2,580
Maintenance and repair	-	35	5,280	6,694	9,349	702
Professional fees/legal/audit	-	-	-	-	-	-
Sub-contractors	611	2,618	4,830	7,197	48,623	827
Interest	-	6	896	1,136	1,587	154
Program supplies	1	45	6,716	8,515	11,893	1,151
Depreciation	-	-	-	-	-	-
Food and food supplies	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total expenses before allocation of management and general expenses	618	3,142	82,768	106,065	189,773	13,979
Allocation of management and general expenses	158	805	21,200	27,167	48,608	3,581
Total expenses after allocation of management and general expenses	\$ 776	\$ 3,947	\$ 103,968	\$ 133,232	\$ 238,381	\$ 17,560

See accompanying notes

ST. JOHNS COUNTY COUNCIL ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services				Supporting Services			Total
	Telephone Reassurance	Specialized Medical Equipment	Non-DOEA Services and Activities	Total Program Costs	Management and general	Fund Raising	Total Supporting Services	
Salaries and wages	\$ 142	\$ -	\$ 2,717,103	\$ 3,202,282	\$ 183,379	\$ 24,850	\$ 208,229	\$ 3,410,511
Payroll taxes and benefits	24	-	468,737	550,993	26,169	4,213	30,382	581,375
Travel	-	-	-	15,131	-	-	-	15,131
Education/training	-	-	1,756	2,228	11,995	-	11,995	14,223
Communications and postage	-	-	-	-	50,053	-	50,053	50,053
Utilities	4	-	64,415	76,924	5,550	-	5,550	82,474
Printing and supplies	6	-	4,655	24,503	93,095	-	93,095	117,598
Insurance	54	-	492,495	673,136	36,331	-	36,331	709,467
Maintenance and repair	31	-	-	63,198	319,128	-	319,128	382,326
Professional fees/legal/audit	-	-	7,921	7,921	33,459	-	33,459	41,380
Sub-contractors	17	-	-	239,497	18,232	2,968	21,200	260,697
Interest	3	-	73,535	84,295	5,545	550	6,095	90,390
Program supplies	23	20,475	335,420	445,209	99,390	-	99,390	544,599
Depreciation	-	-	55,903	55,903	638,334	-	638,334	694,237
Food and food supplies	-	-	198,871	330,717	19,484	-	19,484	350,201
Other	-	-	78,950	78,950	3,252	-	3,252	82,202
Total expenses before allocation of management and general expenses	304	20,475	4,499,761	5,850,887	1,543,396	32,581	1,575,977	7,426,864
Allocation of management and general expenses	78	5,244	1,152,569	1,498,646	(1,543,396)	-	(1,543,396)	(44,750)
Total expenses after allocation of management and general expenses	\$ 382	\$ 25,719	\$ 5,652,330	\$ 7,349,533	\$ -	\$ 32,581	\$ 32,581	\$ 7,382,114

See accompanying notes

ST. JOHNS COUNTY COUNCIL ON AGING, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 466,451
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	694,237
Amortization	3,252
Net change in:	
Accounts receivable	30,799
Government grants and contracts receivable	(528,428)
Prepaid expenses	131,910
Other assets, net	(21,051)
Accounts payable	50,084
Accrued expenses and other liabilities	(59,583)
Deferred revenue	<u>(9,695)</u>
Net cash provided by operating activities	<u>757,976</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	<u>(385,995)</u>
Net cash used by investing activities	<u>(385,995)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on line of credit	(75,000)
Payments on long-term debt	<u>(49,153)</u>
Net cash used by financing activities	<u>(124,153)</u>
 NET CHANGE IN CASH AND CASH EQUIVALENTS	 247,828
CASH AND CASH EQUIVALENTS, BEGINNING	<u>311,289</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 559,117</u>
 SUPPLEMENTAL CASH FLOW INFORMATION	
Cash paid for interest	<u>\$ 90,390</u>

See accompanying notes

ST. JOHNS COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 ORGANIZATION

St. Johns County Council on Aging, Inc. (the "Organization") is a Florida not-for-profit corporation located in St. Johns County, Florida. The Organization is committed to the purpose of providing congregate meals, home-delivered meals, transportation and supportive services to the elderly and disadvantaged.

The Organization's major revenue sources are grants and contracts from federal, state and county entities, public contributions, fundraising, program service fees and River House event income.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

The Organization follows Topic 606, Revenue from Contracts with Customers, in the Accounting Standards Codification (ASC), as developed by the Financial Accounting Standards Board (FASB). Under ASC 606, revenue recognition for customer contract related services is required when promised goods or services are transferred to customers in an amount that reflects the consideration to which an Organization expects to be entitled in exchange for those goods and services.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, accrued expenses, and other liabilities.

Classification of Net Assets

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

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 Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with an original maturity of 90 days or less. Certificates of deposit are readily convertible to cash and are stated at cost plus accrued earnings, which approximate fair value.

ST. JOHNS COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Accounts Receivable, Grants Receivable and Unconditional Promises to Give

During the year the Organization writes off all accounts receivable, grants receivable and unconditional promises to give ("receivables") balances of which deemed to be uncollectable. If a portion of the remaining receivables balances are considered questionable regarding full collection, the Organization will provide an allowance for doubtful accounts for those questionable accounts. All amounts receivable were considered to be fully collectable by the Organization at December 31, 2020 and consequently no allowance for uncollectable accounts was deemed necessary.

Property and Equipment

Land, buildings and equipment that are purchased are carried at cost, or, if donated, at the approximate fair value at the date of donation. Donated property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies donor restricted net assets to donor unrestricted net assets at that time. Expenditures for renewals or improvements that either materially add value or prolong the useful lives of assets are capitalized. Expenditures that are less than \$1,000 are expensed as incurred.

Building and improvements are depreciated using the straight-line method over their estimated useful lives, which range from 5 to 40 years. Furniture and equipment and vehicles are depreciated using the straight-line method over their estimated useful lives, which range from 2 to 10 years. Depreciation expense for the year ended December 31, 2020 was \$694,237.

Contributions

In accordance with FASB ASC 958, *Financial Statements of Not-for-Profit Entities*, contributions received are recorded as donor unrestricted or donor restricted support depending on the existence and/or nature of donor restrictions. Contributions that are restricted by the donor are reported as increases in donor unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in donor restricted net assets depending on the nature of the restrictions. Under FASB ASC 958, contributions that are required to be reported as donor restricted support are then reclassified to donor unrestricted net assets upon expiration of time restrictions or satisfaction of donor restrictions.

Contributions, including unconditional promises to give, are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Pledges receivable are recorded when unconditional promises to pay are recorded. Unconditional promises to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectable contributions receivable would be provided, if necessary, based upon management's judgment, including such factors as prior collection history, type of contribution and nature of fundraising activity.

The Organization writes off specific pledges receivable as they become uncollectable. Use of the direct method did not result in a material departure from accounting principles generally accepted in the United States of America.

ST. JOHNS COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Materials and Services

The Organization records the value of donated goods or services at their estimated value at the date of donation when there is an objective basis available to measure their value. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies donor restricted net assets to donor unrestricted net assets at that time.

When a contributed facility is promised for several years, either in connection with a lease or a situation similar to a lease then the contribution is recognized at fair value and is recorded as an increase in temporarily restricted net assets. The present value is reported as an asset that is amortized over the term of the promise.

Donated services of a professional or skilled nature are presented at the estimated value of such services. Additionally, a number of volunteers periodically donate significant amounts of time to the Organization. No amounts have been reflected in the statements for these contributed services since the contribution of these services did not create or enhance non-financial assets or require specialized skills.

Fair Value of Financial Instruments

All financial instruments are carried at amounts that approximate estimated fair value.

Financial Accounting Standards Board ASC 820, *Fair Value Measurement* ("ASC 820"), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1

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

Level 2

Inputs to the valuation methodology are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as publicly available information about actual events or transactions, and that reflect the assumptions that market participants would use when pricing the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable for the asset or liability. Unobservable inputs are defined as inputs for which market data are not available and that are developed using the best information available about the assumptions that market participants would use when pricing the asset or liability.

All financial instruments are considered to be Level 1 inputs in the fair value hierarchy.

Deferred Revenue

The Organization records grant revenue collected as deferred revenue until it is expensed for the purpose of the grant, at which time it is recognized as revenue.

ST. JOHNS COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expense Allocation

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Project cost	Direct or time and effort
Education and training	Time and effort
Sub-contractors	Time and effort
Occupancy	Square footage
Utilities	Square footage
Repairs and maintenance	Time and effort or direct cost
Professional services	Full time equivalent
Depreciation	Square footage or direct cost
Other	Time and effort

Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts and the variances are held to be immaterial.

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). In accordance with the applicable provisions of the Internal Revenue Code, the Organization is subject to an excise tax on unrelated business income.

Accounting for uncertainty in income taxes

The Organization has adopted FASB ASC 740-10, *Accounting for Income Taxes*, which clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Based on analyses of various federal and state filing positions of the Organization, management believes that its income tax filing positions and deductions are well documented and supported.

As of December 31, 2020, the Organization had no temporary differences relating to the recognition of income and expenses for financial and tax reporting purposes. Accordingly, no deferred tax assets or liabilities are recorded. Additionally, as of December 31, 2020, the Organization had no uncertain tax positions that would qualify for either recognition or disclosure in the financial statements. Therefore, no reserves for uncertain income tax positions have been recorded pursuant to FASB ASC 740-10. In addition, no cumulative effect adjustment related to the adoption of FASB ASC 740-10 was recorded.

There have been no increases or decreases in unrecognized tax benefits for current or prior years since the date of adoption. Furthermore, no interest or penalties have been included since no reserves were recorded and no significant increases or decreases are expected to occur within the next 12 months. When applicable, such interest and penalties will be reported as income tax expense.

ST. JOHNS COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting for uncertainty in income taxes (Continued)

Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge. At December 31, 2020, the periods that remain open to examination under federal statute are for the years ended December 31, 2017 through 2019.

Compensated Absences

All full-time employees accrue vacation pay at a rate based on their length of service according to the following schedule.

<u>Length of Service</u>	<u>Days Annually</u>
0– 60 months	10 days
61–120 months	15 days
121- plus months	20 days

Vacation pay is fully vested when earned. Employees may carry 160 hours of earned annual leave to the following year; any hours exceeding 160 are forfeited unless the Executive Director approves a written waiver. Accordingly, the liability recorded has been computed using the total number of unpaid hours earned as of December 31, 2020. Accrued vacation totaled \$100,969 at December 31, 2020 and is included in *accrued expenses and other liabilities* on the *statement of financial position*.

In addition, all full time employees earn nonvesting sick pay benefits at the rate of four hours per pay period or thirteen days annually. The unused sick leave is not compensated in cash upon termination of the employee's service. Therefore, an accrual for accumulated nonvesting sick pay benefits is not required.

NOTE 3 LINE OF CREDIT

At December 31, 2020, the Organization had a line of credit agreement with a local financial institution, bearing a floatable interest rate at 3.25% which matures February 2021. Borrowings under the line are limited to \$200,000 and are unsecured. At December 31, 2020, there was \$123,984 available to borrow.

NOTE 4 GOVERNMENT GRANTS AND CONTRACTS RECEIVABLE

Grants receivable consisted of the following at December 31, 2020:

St. Johns County Commissioners	\$ 547,921
Northeast Florida Area Agency on Aging, Inc.	287,968
Florida Transportation Disadvantaged Commission	154,672
Florida Department of Transportation	<u>351,512</u>
Total	<u>\$ 1,342,073</u>

NOTE 5 UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are expected to be received as follows at December 31, 2020:

Less than one year	\$ 4,040
One to five years	20,083
More than five years	<u>205,036</u>
Total	229,159
Unamortized discount (4.25%)	<u>(134,145)</u>
Unconditional promises to give, net	<u>\$ 95,014</u>

ST. JOHNS COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 6 PROPERTY AND EQUIPMENT

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

Buildings and improvements	\$ 4,580,208
Furniture and equipment	458,127
Vehicles	<u>3,568,633</u>
Total property and equipment	8,606,968
Less, accumulated depreciation	<u>(4,606,645)</u>
Property and equipment, net	<u>\$ 4,000,323</u>

The Organization has acquired vehicles with restricted state grant funds. Although the grantor agency reserves the right to request the vehicles be returned to the grantor agency before the end of the vehicle's useful life, the Organization has capitalized the vehicles since it is highly likely that it will be allowed to keep the vehicles.

NOTE 7 LONG-TERM DEBT

On August 16, 2019 the Organization entered into a \$2,800,000 financing and lease agreement with a financial institution and Ameris Bank (the "Institution"). Commencing on September 16, 2019, monthly payments are due in the amount equal to the amount necessary to be paid in equal monthly installments of principal and interest to fully amortize the outstanding principal amount of the obligation on a payment date at a variable per annum rate of interest equal to Adjusted LIBOR Rate. At December 31, 2020, the balance of the loan was \$2,729,560.

At December 31, 2020, maturities of the notes payable were as follows:

2021	\$	70,445
2022		73,396
2023		76,470
2024		79,673
2025		<u>2,429,576</u>
Total		2,729,560
Less, loan costs		<u>(44,399)</u>
Notes payable, net		<u>\$ 2,685,161</u>

At December 31, 2020, the Organization was in compliance with all loan covenants.

NOTE 8 NET ASSETS WITHOUT DONOR RESTRICTIONS

The Organization's donor unrestricted net assets consisted of the following at December 31, 2020:

Subject to the Organizations spending policy and appropriation	\$ 2,737,080
Total	<u>\$ 2,737,080</u>

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

The Organization's donor restricted net assets consisted of the following at December 31, 2020:

Subject to expenditure for specific purpose:	
Programs	\$ 95,014
Total	<u>\$ 95,014</u>

ST. JOHNS COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 10 NET ASSETS RELEASED FROM RESTRICTIONS

Donor restricted net assets are released based on donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors. Donor restricted net assets released during 2020 totaled \$6,182,622 and were utilized for acquiring property and equipment and for program services.

NOTE 11 GOVERNMENT GRANTS AND CONTRACTS

Government grants and contracts consisted of the following at December 31, 2020:

St. Johns County Commission	\$ 2,564,631
Medicaid	14,020
Northeast Florida Area Agency on Aging, Inc.	1,427,747
Florida Transportation Disadvantaged Commission	664,385
Florida Department of Elder Affairs	39,551
Florida Department of Transportation	<u>639,788</u>
Total	<u>\$ 5,350,122</u>

NOTE 12 CONCENTRATIONS OF RISK

The Organization received \$2,564,631 from the St. Johns County Commission (the “County”) in direct funding and pass-through monies for the year ended December 31, 2020. This represents approximately 32% of the Organization’s total revenue and support for the year ended December 31, 2020. At December 31, 2020, the Organization was owed a total of \$547,921 from the County.

The Organization received \$1,427,747 from the Northeast Florida Area Agency on Aging, Inc. (“NEFAAA”) for the year ended December 31, 2020. This represents approximately 18% of the Organization’s total revenue and support for the year ended December 31, 2020. At December 31, 2020, the Organization was owed \$287,968 from NEFAAA.

The Organization has a discounted lease agreement with the County for the use of facilities on Marine Street in St. Augustine, Florida. The lease is for ninety-five (95) years and requires the Organization to pay \$350 in years 2037 and 2067 for total lease payments of \$700, which was paid in 2007.

On July 26, 2007, the Organization entered into a discounted lease agreement with the County for the use of land and the use of maintenance facilities commencing in 2010 on Old Moultrie Drive in St. Augustine, Florida. The lease is for thirty (30) years with two additional terms of thirty (30) years requiring the Organization to pay one (1) dollar per term. The Organization is responsible for all operating costs including property insurance, maintenance and repairs, and utilities.

NOTE 13 CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances with high quality financial institutions. Interest bearing accounts at these institutions currently are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. At times, such balances may be in excess of FDIC insurance limits. At December 31, 2020, the Organization’s uninsured cash balances totaled approximately \$155,501.

NOTE 14 OPERATING LEASE

In October of 2020, the Organization entered into a five-year agreement with an option to renew for up to five additional terms of one year, with St. Johns County to lease space to provide daily structured programs, activities, and health-related and rehabilitative services to older adults suffering from dementia or Alzheimer’s disease. The lease requires annual payments of \$1. Both parties may terminate the lease upon 90 days written notice.

ST. JOHNS COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 15 EMPLOYEE ELECTIVE DEFERRALS PLAN

The Organization maintains a 403(b) elective deferrals plan covering all eligible employees immediately upon becoming employed by the Organization. This plan does not provide for employer matching contributions or employer nonelective contributions.

NOTE 16 CONTINGENCIES

Federal, State and County funded programs are subject to special audits. Such audits could result in claims against the resources of the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

NOTE 17 LIQUIDITY OF CURRENT ASSETS

The Organization is substantially supported by unrestricted and restricted funding. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization'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.

The following reflects the Organization's financial assets as of December 31, 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the financial position date:

Financial Assets	
Cash and cash equivalents	\$ 559,117
Accounts, grants and contracts receivable	1,366,050
Unconditional promises to give, net	95,014
Other assets	<u>38,269</u>
Financial assets, at year end	<u>2,058,450</u>
Less, those unavailable for general expenditures within one year, due to:	
Contractual or donor imposed restrictions:	
Restrictions by donor with purpose restrictions	<u>(95,014)</u>
	<u>(95,014)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,963,436</u>

NOTE 18 CORONAVIRUS (COVID-19)

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced in China. The World Health Organization has characterized COVID-19 as a pandemic. The spread of this virus caused business disruption to the Organization due to stay-at-home orders issued by the State of Florida. This includes the cancellation of the Organization's venue rentals for the spring of 2020. Management plans to continue to rent out the venue for available events as well as other small events over the duration of 2020 to compensate for any revenue lost from lack of venue rentals and donations. The Organization expects this matter to negatively impact its overall results; however, the extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and the length of the stay-at-home orders, all of which are highly uncertain and cannot be predicted at this time.

ST. JOHNS COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 19 REFUNDABLE ADVANCES

In May 2020, the Organization received \$832,500 under the Paycheck Protection Program (PPP) pursuant to the Coronavirus Aid, Relief and Economic Security (CARES) Act that was signed into law on March 27, 2020. As a U.S. small business, the Organization has qualified for the PPP, which allows businesses and nonprofits with fewer than 500 employees to obtain loans of up to \$10 million to incent companies to maintain their workers as they manage the business disruptions caused by the COVID-19 pandemic. Some or all of the loan may be forgiven if at least 60 percent of the loan proceeds are used to cover payroll costs, including the salaries and benefits and other allowable costs, provided the Organization maintains its employment and compensation within certain parameters during the forgiveness period, as determined by management (up to twenty-four weeks), following the loan origination date and complies with other relevant conditions. At December 31, 2020, the advance is forgiven in full and recognized as refundable advances on the statement of activities.

NOTE 20 SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 8, 2022. The impact of Coronavirus (COVID-19) to the Organization is discussed in Note 18. No other events were identified as necessary to be disclosed to keep these financial statements from being misleading or that provide additional evidence about conditions that existed at December 31, 2020, including estimates inherent in the process of preparing these financial statements.

SUPPLEMENTAL INFORMATION

ST. JOHNS COUNTY COUNCIL ON AGING, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE PROJECTS
 YEAR ENDED DECEMBER 31, 2020

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Period</u>	<u>CFDA/ CSFA Number</u>	<u>Contract/ Grant Number</u>	<u>ISPS Number</u>	<u>Award Amount</u>	<u>Federal/State Expenditures</u>
FEDERAL AWARDS						
U.S. Department of Health and Human Services						
Pass-through programs from:						
Northeast Florida Area Agency on Aging						
Aging Cluster						
Title III B - Support Services	1/1/20-12/31/20	93.044	A120STJ		\$ 283,386	\$ 162,819
Title III B - Support Services	6/1/20-9/30/21	93.044			112,805	112,805
Title III C 1 - Congregate Meals	1/1/20-12/31/20	93.045	A120STJ		89,327	67,826
Title III C 1 - Congregate Meals	6/1/20-9/30/21	93.045			249,582	247,014
Title III C 2 - Home Delivered Meals	1/1/20-12/31/20	93.045	A120STJ		137,594	123,720
Title III C 2 - Home Delivered Meals	6/1/20-9/30/21	93.045			95,335	88,954
Title III E - Family Caregiver Program	1/1/20-12/31/20	93.052	A120STJ		80,847	5,428
Title III E - Family Caregiver Program	6/1/20-9/30/21	93.052			59,376	46,343
Nutritional Services Incentive Program	1/1/20-12/31/20	93.053	U020STJ		26,797	26,797
						<u>881,706</u>
Emergency Home Energy Assistance	10/1/19-9/30/20	93.568	P019STJ		49,550	35,068
Emergency Home Energy Assistance	10/1/20-9/30/21	93.568	P020STJ		30,807	194
						<u>35,262</u>
						<u>916,968</u>
Federal Transit Administration						
State of Florida Department of Transportation						
Formula Grants for Other Than Urbanized Areas	3/31/19-3/31/20	20.509	G0L91		313,002	29,382
Formula Grants for Other Than Urbanized Areas	1/1/20-8/31/21	20.509	G1975		332,051	57,763
Formula Grants for Other Than Urbanized Areas	6/11/20-6/30/21	20.509	G1M48		900,000	451,022
						<u>538,167</u>
Transit Services Programs						
Enhanced Mobility for Seniors and Individuals with disabilities	6/12/19-7/1/20	20.513	G1969		135,000	86,846
Enhanced Mobility for Seniors and Individuals with disabilities	6/12/20-7/1/21	20.513	G1L09		110,308	14,775
						<u>101,621</u>
St. Johns County Board of County Commissioners						
Federal Transit - Formula Grants (Urbanized Area Formula)	8/1/19-7/31/20	20.507	N/A		1,556,643	90,741
Federal Transit - Formula Grants (Urbanized Area Formula)	10/1/18-9/30/20	20.507	N/A		197,000	-
Federal Transit - Formula Grants (Urbanized Area Formula)	3/1/20-12/31/21	20.507	N/A		2,000,000	1,341,983
Federal Transit - Formula Grants (Urbanized Area Formula)	12/1/19-2/20/21	20.507	N/A		200,000	172,154
						<u>1,604,878</u>
						<u>\$ 3,161,634</u>

ST. JOHNS COUNTY COUNCIL ON AGING, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE PROJECTS
 YEAR ENDED DECEMBER 31, 2020

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Period</u>	<u>CFDA/ CSFA Number</u>	<u>Contract/ Grant Number</u>	<u>ISPS Number</u>	<u>Award Amount</u>	<u>Federal/State Expenditures</u>
STATE PROJECTS						
Florida Department of Elder Affairs						
Pass-through programs from:						
Northeast Florida Area Agency on Aging						
Community Care for the Elderly	7/1/19-6/30/20	65010	C019STJ		\$ 373,393	\$ 159,632
Community Care for the Elderly	7/1/20-6/30/21	65010	C020STJ		405,585	200,336
Alzheimer's Disease Initiative	7/1/19-6/30/20	65004	Z019STJ		195,572	52,931
Alzheimer's Disease Initiative	7/1/20-6/30/21	65004	Z020STJ		252,924	78,832
Home Care for the Elderly	7/1/19-6/30/20	65001	H019STJ		37,109	9,907
Home Care for the Elderly	7/1/20-6/30/21	65001	H020STJ		39,498	9,141
Local Service Program	9/1/19-6/30/20	65009	L019STJ		36,135	20,840
Local Service Program	9/1/20-6/30/21	65009	L020STJ		36,135	18,711
						<u>550,330</u>
Florida Transportation Disadvantaged Commission						
Trip/Equipment Agreements	9/1/19-6/30/20	55001	G1A62		613,352	357,461
Trip/Equipment Agreements	9/1/20-6/30/21	55001	G1O35		613,347	306,924
						<u>664,385</u>
Florida Department of Transportation						
Commuter Assisstance	9/1/18-5/15/20	55007	G0Z11		115,875	8,184
Pass-through programs from:						
St. Johns County Board of County Commissioners						
FY 19/20 Block Grant - Operating Assistance	12/1/19-11/30/20	55010	G1C24		465,778	87,369
						<u>87,369</u>
Total Expenditures of State Projects						<u>\$ 1,310,268</u>

ST. JOHNS COUNTY COUNCIL ON AGING, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE PROJECTS
YEAR ENDED DECEMBER 31, 2020

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state projects (the "Schedule") includes the federal grant and state assistance activity of the Organization under programs of the federal and state government for the year ended December 31, 2020. 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 Chapter 10.650, *Rules of the Auditor General of the State of Florida*. Because the Schedule presents only a selected portion of the operations of St. Johns County Council on Aging, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of St. Johns County Council on Aging, Inc.

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 and Chapter 10.650, *Rules of the Auditor General of the State of Florida*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 DE MINIMIS INDIRECT COST RATE ELECTION

The Organization has elected not to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

ABARE, KRESGE & ASSOCIATES CPAS, LLC

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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
St. Johns County Council on Aging, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of St. Johns County Council on Aging, Inc. (the "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 March 8, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Abare, Kresge & Associates CPAs, LLC

St. Augustine, FL
March 8, 2022

ABARE, KRESGE & ASSOCIATES CPAS, LLC

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

To the Board of Directors of
St. Johns County Council on Aging, Inc.

Report on Compliance for Each Major Federal Program and State Award

We have audited St. Johns County Council on Aging, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the Executive Office of the Florida Governor's State Projects Compliance Supplement, that could have a direct and material effect on each of the Organization's major federal programs and state awards for the year ended December 31, 2020. The Organization's major federal programs and state awards 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 awards.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs and state awards based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.650, *Rules of the Auditor General of the State of Florida*. Those standards, the Uniform Guidance and Chapter 10.650 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 award occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state award. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program and State Award

In our opinion, the Organization 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 awards for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state award 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 award and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General of the State of Florida*, respectively, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state award 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 award 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 award 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 Chapter 10.650, *Rules of the Auditor General of the State of Florida*. Accordingly, this report is not suitable for any other purpose.

Abm, Krueger & Associates CPAs, LLC

St. Augustine, FL
March 8, 2022

ST. JOHNS COUNTY COUNCIL ON AGING, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED DECEMBER 31, 2020

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

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 and State Awards

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:

Unmodified

Any audit findings disclosed that are required to be reported
 in accordance with the Uniform Guidance and Chapter 10.650
 Rules of the Auditor General of the state of Florida

_____ Yes X No

Identification of major programs and projects:

CFDA Number(s)

Name of Federal Program

20.507

Urbanized Area Formula Program

CSFA Number(s)

Name of State Program

55001

Trip/Equipment Agreements

65010

Community Care for the Elderly

Dollar threshold used to distinguish between

Type A and Type B programs:

Federal

\$ 750,000

State

\$ 393,080

Auditee qualified as low-risk auditee?

 X Yes _____ No

SECTION II - FINANCIAL STATEMENT FINDINGS

None.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

ST. JOHNS COUNTY COUNCIL ON AGING, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2020

There are no prior audit findings.

ABARE, KRESGE & ASSOCIATES CPAs, LLC

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To the Board of Directors
St. Johns County Council on Aging, Inc.
Saint Augustine, FL

Report on the Financial Statements

We have audited the financial statements of St. Johns County Council on Aging, Inc., as of and for the fiscal year ended December 31, 2020 and have issued our report thereon dated March 30, 2022.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance); and Chapter 10.650, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance in accordance with Uniform Guidance and Chapter 10.650, Rules of the Florida Auditor General.

Additional Matter

Section 10.654(1)(e), *Rules of the Auditor General*, requires that we communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or State project amounts that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Abare, Kresge & Associates CPAs, LLC

St. Augustine, FL
March 30, 2022