

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

**Consolidated Financial  
Statements**

**Year Ended  
December 31, 2021**

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**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the accompanying financial statements of Mid-Florida Area Agency on Aging, Inc., d/b/a Elder Options (the "Agency") (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2021, 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.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the agency as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional

### ***Auditor's Responsibilities for the Audit of the Financial Statements (Continued)***

omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* 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 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 schedule of expenditures of federal awards 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 September 7, 2022, 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 7, 2022

**MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2021**

**ASSETS**

**Current assets**

Cash and cash equivalents	\$ 2,388,298
Grant and contract receivables, net of allowance of \$498,433	4,041,655
Prepaid expenses	<u>501,095</u>

Total current assets 6,931,048

**Property and equipment**, net of accumulated depreciation 980,572

**Total Assets** \$ 7,911,620

**LIABILITIES AND NET ASSETS**

**Current liabilities**

Accounts payable and accrued expenses	\$ 3,136,215
Unearned revenue	<u>450,013</u>

Total current liabilities 3,586,228

**Net assets**

Without donor restrictions	
Undesignated	3,274,820
Board designated - Anchor of North Central Florida, LLC	70,000
Property and equipment	<u>980,572</u>

Total net assets 4,325,392

**Total Liabilities and Net Assets** \$ 7,911,620

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, 2021**

	<b>Without Donor Restrictions</b>
<b>Support and revenues</b>	
Federal and state awards	\$ 22,782,556
Contributions and other awards	2,464,735
In-kind	680,545
Total support and revenues	25,927,836
<b>Expenses</b>	
<b>Program services</b>	
Payments to subrecipients	17,065,087
Personnel and benefits	3,181,564
Subcontract	2,610,108
In-kind	170,136
Professional fees	94,759
Other direct costs	16,034
Communication and utilities	81,851
Printing and supplies	77,348
Depreciation	61,259
Travel	33,583
Repairs and maintenance	17,024
Total program services	23,408,753
<b>Administrative services</b>	2,277,656
<b>Total expenses</b>	25,686,409
<b>Change in net assets</b>	241,427
<b>Net assets</b> , beginning of year	4,083,965
<b>Net assets</b> , end of year	\$ 4,325,392

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, 2021**

<b>Expenses</b>	<b>Program Services</b>	<b>Administrative Services</b>	<b>Total</b>
Payments to subrecipients	\$ 17,065,087	\$ -	\$ 17,065,087
Personnel and benefits	3,181,564	964,667	4,146,231
Subcontract	2,610,108	12,915	2,623,023
In-kind	170,136	510,409	680,545
Professional fees	94,759	323,155	417,914
Other direct costs	16,034	366,171	382,205
Communication and utilities	81,851	49,972	131,823
Printing and supplies	77,348	19,397	96,745
Depreciation	61,259	5,569	66,828
Travel	33,583	11,070	44,653
Repairs and maintenance	17,024	8,530	25,554
Interest	-	5,801	5,801
<b>Total expenses</b>	<b>\$ 23,408,753</b>	<b>\$ 2,277,656</b>	<b>\$ 25,686,409</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, 2021**

<b>Cash flows from operating activities</b>	
Cash received from grantors and contractors	\$ 25,705,045
Cash paid to employees, vendors, and subrecipients	(25,204,250)
Interest paid	<u>(5,801)</u>
Net cash provided by operating activities	494,994
<b>Cash flows from financing activities</b>	
Principal payments on mortgage payable	<u>(245,045)</u>
<b>Net increase in cash and cash equivalents</b>	249,949
<b>Cash and cash equivalents, beginning of year</b>	<u>2,138,349</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 2,388,298</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, 2021**

**Note 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, 2021, 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, 2021**

**Note 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

The Agency follows Accounting Standard Update (ASU) 2014-09, *Revenue from Contracts with Customers* (ASC 606), which outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

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 fair market 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 inservice.

The Agency receives program and administrative services without charge. The estimated value of these items is \$680,545 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, 2021**

**Note 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 consolidated financial statements of the Agency.

H. Advertising

Advertising costs are charged to operations as incurred. Advertising costs for the year ended December 31, 2021 were \$32,842.

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 7, 2022, the date the consolidated financial statements were available to be issued. No subsequent events have been recognized or disclosed.

L. Recent accounting pronouncements

The Financial Accounting Standards Board (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.

**MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**Note 1 – Summary of Significant Accounting Policies (Continued)**

L. Recent accounting pronouncements (Continued)

In February 2016, the FASB issued ASU 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.

**Note 2 – Concentrations of Credit Risk**

The more significant concentrations of credit risk are as follows:

A. Deposits

The Agency maintains deposits with two financial institutions. 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 and Federal government agencies. The Agency has no policy requiring collateral or other security to support its receivables.

**Note 3 – Property and Equipment**

Property and equipment consist of the following at December 31, 2021:

Building	\$ 1,333,918
Furniture and equipment	<u>469,303</u>
	1,803,221
Less: Accumulated depreciation	<u>(822,649)</u>
Total	<u><u>\$ 980,572</u></u>

Depreciation expense for the year was \$66,828.

**MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**Note 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	55%
State of Florida Department of Elder Affairs	35%

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.

**Note 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, 2021, were 14% of each covered employee's salary. The amount of pension plan expense for the year ended December 31, 2021 was \$358,616.

**Note 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	\$ 2,388,298
Grant and contract receivables	4,041,655
Total financial assets	<u>6,429,953</u>
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><u>\$ 6,359,953</u></u>

**MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**Note 7 – Leases and Commitments**

The Agency has entered into various non-cancelable operating lease agreements for the rental of office equipment. Lease expense for the year ended December 31, 2021 totaled \$40,644. Future minimum lease payments under operating leases for years ended December 31, are as follows:

2022	\$	22,116
2023		22,116
2024		22,116
2025		<u>16,589</u>
	\$	<u>82,937</u>

**Note 8 – 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, 2021**

Federal Grantor/Pass-Through Grantor/ State Grantor/Program or Cluster Title	ALN	CSFA	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	-	CCV21	2,263	27,523
Special Programs for the Aging – Title III, Part B— Grants for Supportive Services and Senior Centers	93.044	-	CA021	2,443,617	3,856,644
Special Programs for the Aging – Title III, Part B— Grants for Supportive Services and Senior Centers	93.044	-	CXC20	-	74,842
Special Programs for the Aging - Title III, Part C, Nutrition Services	93.045	-	CA021	4,111,524	4,754,853
Special Programs for the Aging - Title III, Part C, Nutrition Services	93.045	-	CXC20	-	92,273
Special Programs for the Aging - Title III, Part C, Nutrition Services	93.045	-	CCV21	1,253,313	1,253,313
Nutrition Services Incentive Program	93.053	-	CA021	394,083	394,083
			<b>Total Aging Cluster Expenditures</b>	<u>8,204,800</u>	<u>10,453,531</u>
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	-	C7021	-	8,179
National Family Caregiver Support, Title III, Part E	93.052	-	CA021	553,885	1,104,700
National Family Caregiver Support, Title III, Part E	93.052	-	CXC20	-	21,438
				<u>553,885</u>	<u>1,126,138</u>
Special Programs for the Aging, Title III, Part D, Disease and Health Promotion Services	93.043	-	CA021	-	198,863
Low-Income Home Energy Assistance	93.568	-	CP019/CP021	655,146	718,932
Low-Income Home Energy Assistance	93.568	-	CPC20	210,603	238,986
Low-Income Home Energy Assistance	93.568	-	CPP21	4,404	4,404
				<u>870,153</u>	<u>962,322</u>
State Health Insurance Assistance Program	93.324	-	CN020/CN021	-	283,602
Medical Assistance Program	93.778	-	CX020	-	407,889
Medicare Enrollment Assistance Program	93.071	-	CB021/CB022	-	89,587
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	-	CG020/CG021	-	23,639
Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds	93.761	-	CF019	-	5,241
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	-	101,734
Immunization Research, Demonstration, Public Information and Education Training and Clinical Skills Improvement Projects	93.185	-	CCG21	-	23,054
<b>Total Department of Health and Human Services</b>				<u>9,628,838</u>	<u>13,683,779</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 in Life	16.528	-	2018-EW-AX-K013	-	108,263
<b>Total Federal Awards</b>				<u>\$ 9,628,838</u>	<u>\$ 13,792,042</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, 2021**

<u>Federal Grantor/Pass-Through Grantor/ State Grantor/Program Title</u>	<u>ALN</u>	<u>CSFA</u>	<u>Pass-Through Entity Award Number</u>	<u>Pass-Through to Subrecipients</u>	<u>Expenditures</u>
<b>STATE FINANCIAL ASSISTANCE</b>					
<b>State of Florida, Department of Elder Affairs</b>					
Home Care for the Elderly	-	65.001	CH020/CH021	\$ 382,234	\$ 980,237
Alzheimer's Respite Service	-	65.004	CZ020/CZ021	2,054,067	2,126,931
Local Services Programs	-	65.009	CL020/CL021	109,870	113,278
Community Care for the Elderly	-	65.010	CC020/CC021	4,890,078	5,078,743
<b>Total State Financial Assistance</b>				<u>7,436,249</u>	<u>8,299,189</u>
<b>Total Federal Awards and State Financial Assistance</b>				<u>\$ 17,065,087</u>	<u>\$ 22,091,231</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  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**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, 2021 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**

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American Institute of  
Certified Public  
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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") (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, 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 7, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing 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.

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 or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency'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 consolidated 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*.

### **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 7, 2022



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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND 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**

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

We have audited Mid-Florida Area Agency on Aging, Inc., d/b/a Elder Options’ (“the Agency”) (a nonprofit organization) compliance with the types of compliance requirements identified as subject to audit 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, 2021. The Agency’s major federal programs and state projects are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

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, 2021.

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

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*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the Agency’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Agency’s federal programs and state projects.

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standard* the Uniform Guidance, and State of Florida Chapter 10.650, *Rules of the Auditor General*, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Agency's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, and State of Florida Chapter 10.650, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Agency's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in

## **Report on Internal Control over Compliance (Continued)**

internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 7, 2022

**MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

- |   |               |
|---|---------------|
| 1. Type of auditor’s 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? | None reported |
| 3. Noncompliance material to financial statements noted?                                  | No            |

**Federal Awards**

- |   |               |
|---|---------------|
| 1. Type of auditor’s 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>ALN Number</u>
Aging Cluster	93.044, 93.045, 93.053
Emergency Home Energy	93.568
Medical Assistance Program	93.778

**MID-FLORIDA AREA AGENCY ON AGING, INC., D/B/A ELDER OPTIONS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Section I – Summary of Auditor’s Results (continued)**

**State Financial Assistance**

- |  |               |
|--|---------------|
| 1. Type of auditor’s 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

**Section II – Financial Statement Findings**

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).

**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, 2021**

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

**I. Financial Statement Findings:**

**Finding 2020-001: 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.

**Management's Response:** 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.

**Resolution:** 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 has reviewed all financial and accounting processes and procedures with the new CFO and has updated them as needed.