

NU-HOPE ELDER CARE SERVICES, INC.
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021



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**NU-HOPE ELDER CARE SERVICES, INC.
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YEAR ENDED DECEMBER 31, 2021**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
NU-HOPE Elder Care Services, Inc.
Sebring, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of NU-HOPE Elder Care Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NU-HOPE Elder Care Services, Inc. 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 (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NU-HOPE Elder Care Services, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NU-HOPE Elder Care Services, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' 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 auditors' 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 GAAS 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 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 GAAS 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 NU-HOPE Elder Care Services, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NU-HOPE Elder Care Services, Inc.'s ability to continue as a going concern for a reasonable period of time.


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

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 Chapter 10.650, *Local Governmental Entity Audits*, 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 GAAS. In our opinion, the schedule of expenditures of federal awards and state financial assistance 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 June 21, 2022, on our consideration of NU-HOPE Elder Care Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NU-HOPE Elder Care Services, Inc.'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 NU-HOPE Elder Care Services, Inc.'s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Sebring, Florida
June 21, 2022

NU-HOPE ELDER CARE SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$	860,087
Grants and Contracts Receivable		148,018
Other Receivables		3,734
Prepaid Expenses		13,953
Other Assets		1,690
Total Current Assets		1,027,482

FIXED ASSETS

Land		177,450
Building and Improvements		1,695,857
Leasehold Improvements		35,891
Vehicles		63,329
Furniture and Equipment		100,934
Total		2,073,461
Less: Accumulated Depreciation		(417,337)
Net Fixed Assets		1,656,124

Total Assets		\$ 2,683,606
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$	68,654
Accrued Expenses		47,758
Current Portion of Long-Term Debt		40,267
Total Current Liabilities		156,679

NONCURRENT LIABILITIES

Long-Term Debt, Net of Current		997,951
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Total Liabilities		1,154,630
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NET ASSETS

Without Donor Restrictions:		
Undesignated		1,528,976

Total Liabilities and Net Assets		\$ 2,683,606
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**NU-HOPE ELDER CARE SERVICES, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

SUPPORT AND REVENUE

Public Support:	
Grants and Aid	\$ 1,804,076
Revenue from Highlands County Government	43,891
Revenue from Hardee County Government	28,000
Contributions	218,424
Total Public Support	<u>2,094,391</u>
Other Revenue:	
Thrift Store Sales	695,056
Special Events	37,196
Program Income	19,897
In-Kind Contributions	85,321
Miscellaneous	25,925
Total Other Revenue	<u>863,395</u>
Total Support and Revenue	<u>2,957,786</u>

EXPENSES

Program Services:	
Adult Day Care	2,372
Case Management	85,150
Case Aide	1,456
Restaurant Initiative Meals	30,164
Congregate Meals	126,734
Emergency Alert Response	15,310
Home Delivered Meals	550,939
Telephone Reassurance	50,025
Personal Care	51,791
Homemaker	179,959
Respite	376,677
Nutrition Education	2,068
Pest Control Initiation	300
Pest Control Maintenance	375
Transportation	11,558
Outreach	9,610
E.H.E.A.P.	58,221
Health Support	2,700
Housing Improvement	1,550
Medical Supplies/Services	89,381
Material Aid	30,286
Respite in Facility	9,492
Recreation	844
Total Program Services	<u>1,686,962</u>
Supporting Services:	
Fundraising	502,254
Management and General	464,627
Total Supporting Services	<u>966,881</u>
Total Expenses	<u>2,653,843</u>
NET INCREASE IN NET ASSETS	303,943
Net Assets - Beginning of Year	<u>1,225,033</u>
NET ASSETS - END OF YEAR	<u><u>\$ 1,528,976</u></u>

See accompanying Notes to Financial Statements.

**NU-HOPE ELDER CARE SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021**

	Program Services									
								In-Home Services		
	Adult Day Care	Case Management	Case Aide	Restaurant Initiative Meals	Congregate Meals	Emergency Alert Response	Home Delivered Meals	Telephone Reassurance	Personal Care	Homemaker
EXPENSES										
Salaries	\$ -	\$ 64,046	\$ 1,336	\$ -	\$ 10,824	\$ -	\$ 94,364	\$ 40,818	\$ 25,216	\$ 86,309
Payroll Taxes and Benefits	-	16,657	120	-	7,085	-	17,757	9,207	5,084	16,718
Travel	-	132	-	-	786	-	6,340	-	2,557	7,392
Education and Training	-	-	-	-	34	-	77	-	-	-
Communications and Postage	-	369	-	-	3,143	-	4,501	-	764	742
Utilities	-	450	-	-	3,584	-	5,843	-	987	969
Advertising	-	-	-	-	-	-	-	-	-	-
Insurance	-	462	-	-	1,000	-	2,526	-	582	21
Maintenance and Repair	-	173	-	-	232	-	678	-	419	499
Printing and Supplies	-	227	-	-	460	-	959	-	551	655
Building Cost	50	1,737	-	-	19,663	-	37,137	-	4,615	4,435
Professional Fees, Legal, and Audit	-	126	-	14	1,769	-	1,764	-	331	387
Sub-Contractors	2,322	-	-	30,150	76,837	15,310	375,655	-	9,173	60,038
Program Supplies	-	-	-	-	66	-	102	-	717	987
Depreciation	-	771	-	-	1,195	-	3,079	-	776	747
Other	-	-	-	-	56	-	157	-	19	60
Total Expenses	<u>2,372</u>	<u>85,150</u>	<u>1,456</u>	<u>30,164</u>	<u>126,734</u>	<u>15,310</u>	<u>550,939</u>	<u>50,025</u>	<u>51,791</u>	<u>179,959</u>
Allocation of Management and General	654	23,452	401	8,308	34,905	4,217	151,741	13,778	14,264	49,565
Total Expenses after Allocation	<u>\$ 3,026</u>	<u>\$ 108,602</u>	<u>\$ 1,857</u>	<u>\$ 38,472</u>	<u>\$ 161,639</u>	<u>\$ 19,527</u>	<u>\$ 702,680</u>	<u>\$ 63,803</u>	<u>\$ 66,055</u>	<u>\$ 229,524</u>

See accompanying Notes to Financial Statements.

NU-HOPE ELDER CARE SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

	Program Services										
	In-Home Services			Pest Control	Pest Control	Transportation	Outreach	E.H.E.A.P.	Health Support	Housing Improvement	Medical Supplies/ Services
	Respite	Nutrition Education	Nutrition Initiation								
EXPENSES											
Salaries	\$ 184,621	\$ 964	\$ -	\$ -	\$ -	\$ 6,453	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll Taxes and Benefits	39,148	287	-	-	-	1,225	-	-	-	-	-
Travel	16,315	17	-	-	19	133	-	-	-	-	-
Education and Training	-	4	-	-	-	4	-	-	-	-	-
Communications and Postage	1,300	73	-	-	151	156	-	-	-	-	-
Utilities	1,815	91	-	-	191	195	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-	-	-
Insurance	1,314	-	-	-	253	141	-	-	-	-	-
Maintenance and Repair	832	31	-	-	83	57	-	-	-	-	-
Printing and Supplies	1,092	40	-	-	109	74	-	-	-	-	-
Building Cost	7,136	380	-	-	786	854	-	-	-	-	-
Professional Fees, Legal, and Audit	630	23	-	-	62	44	-	-	-	-	-
Sub-Contractors	118,910	-	-	-	9,636	-	-	2,700	-	-	-
Program Supplies	1,501	17	-	-	6	8	-	-	-	-	-
Depreciation	1,873	135	-	-	259	249	-	-	-	-	-
Other	190	6	300	375	3	17	58,221	-	1,550	89,381	
Total Expenses	<u>376,677</u>	<u>2,068</u>	<u>300</u>	<u>375</u>	<u>11,558</u>	<u>9,610</u>	<u>58,221</u>	<u>2,700</u>	<u>1,550</u>	<u>89,381</u>	
Allocation of Management and General	<u>103,745</u>	<u>570</u>	<u>83</u>	<u>103</u>	<u>3,183</u>	<u>2,647</u>	<u>16,035</u>	<u>744</u>	<u>427</u>	<u>24,618</u>	
Total Expenses after Allocation	<u>\$ 480,422</u>	<u>\$ 2,638</u>	<u>\$ 383</u>	<u>\$ 478</u>	<u>\$ 14,741</u>	<u>\$ 12,257</u>	<u>\$ 74,256</u>	<u>\$ 3,444</u>	<u>\$ 1,977</u>	<u>\$ 113,999</u>	

See accompanying Notes to Financial Statements.

NU-HOPE ELDER CARE SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

	Program Service				Supporting Services			
	Material Aid	Respite In Facility	Recreation	Total Program Costs	Fund Raising	Management and General	Total Supporting Services	Total
EXPENSES								
Salaries	\$ -	\$ -	\$ -	\$ 514,951	\$ 194,235	\$ 287,750	\$ 481,985	\$ 996,936
Payroll Taxes and Benefits	-	-	-	113,288	45,646	57,831	103,477	216,765
Travel	-	-	-	33,691	459	2,378	2,837	36,528
Education and Training	-	-	-	119	-	-	-	119
Communications and Postage	-	-	-	11,199	6,346	6,705	13,051	24,250
Utilities	-	-	-	14,125	37,192	6,763	43,955	58,080
Advertising	-	-	-	-	279	-	279	279
Insurance	-	-	-	6,299	34,029	7,201	41,230	47,529
Maintenance and Repair	-	-	-	3,004	1,819	7,371	9,190	12,194
Printing and Supplies	-	-	-	4,167	5,321	3,358	8,679	12,846
Building Cost	-	-	-	76,793	52,993	36,545	89,538	166,331
Professional Fees, Legal, and Audit	-	-	-	5,150	10,245	24,402	34,647	39,797
Sub-Contractors	-	9,492	810	711,033	-	-	-	711,033
Program Supplies	-	-	34	3,438	590	88	678	4,116
Depreciation	-	-	-	9,084	36,779	23,616	60,395	69,479
Other	30,286	-	-	180,621	76,321	619	76,940	257,561
Total Expenses	30,286	9,492	844	1,686,962	502,254	464,627	966,881	2,653,843
Allocation of Management and General	8,341	2,614	232	464,627	-	(464,627)	(464,627)	-
Total Expenses after Allocation	\$ 38,627	\$ 12,106	\$ 1,076	\$ 2,151,589	\$ 502,254	\$ -	\$ 502,254	\$ 2,653,843

See accompanying Notes to Financial Statements.

**NU-HOPE ELDER CARE SERVICES, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES

Net Increase in Net Assets	\$ 303,943
Adjustments to Reconcile Net Increase in Net Assets to	
Net Cash Provided by Operating Activities:	
Depreciation	69,479
Forgiveness of Debt	(68,627)
(Increase) Decrease in Assets:	
Grants and Contracts Receivable	(12,283)
Other Receivables	74
Prepaid Expenses	(1,751)
Increase (Decrease) in Liabilities:	
Accounts Payable	21,317
Accrued Expenses	10,706
Deferred Revenue	(16,265)
Net Cash Provided by Operating Activities	306,593

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property and Equipment	(19,094)
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CASH FLOWS FROM FINANCING ACTIVITIES

Principal Repayments on Notes Payable	(310,297)
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NET DECREASE IN CASH AND CASH EQUIVALENTS

(22,798)

Cash and Cash Equivalents - Beginning of Year

882,885

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 860,087

NONCASH INVESTING AND FINANCING ACTIVITIES

Partial Forgiveness of Paycheck Protection Program Loan	\$ (68,627)
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SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid During the Period for Interest	\$ 65,288
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See accompanying Notes to Financial Statements.

NU-HOPE ELDER CARE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

NU-HOPE Elder Care Services, Inc. (Agency) is a private, nonprofit organization incorporated in July 1975 in the state of Florida. Its goals are to assist the senior citizens of Highlands County and Hardee County to prevent or delay leaving one's home to enter an institution; to help in the home after hospitalization or illness; to provide better nutrition through home delivered meals and congregate dining sites; and to provide social, educational, and recreational activities at its sites and senior centers. The Agency is primarily supported by government grants. Other support is provided by thrift store sales and contributions from local government and private sources.

Cash and Cash Equivalents

For purposes of financial statement presentation, the Agency considers all cash and highly liquid investment instruments with initial maturities of three months or less to be cash equivalents.

Grants and Contracts Receivable

Grants and contracts receivable consist of amounts due to the Agency for program services provided. No allowance for doubtful accounts is recorded as the amounts are considered fully collectible at December 31, 2021.

Inventories and Thrift Store Sales

The Agency operates NU-HOPE Thrift Stores, retail operations where clothing, home furnishings, appliances, and other miscellaneous items are donated and then sold to the community at a greatly reduced price. Revenue is recognized by the Agency at the time the goods are sold; therefore, no value for the Thrift Store inventory is included in these financial statements.

Fixed Assets

Fixed assets acquired by the Agency are considered to be owned by the Agency except for property acquired with grant funds. The property acquired with grant funds is considered to be owned by the Agency while used in the program for which it was purchased or in other future authorized programs; however, a reversionary interest in the property is held by the United States and/or state of Florida. The disposition of equipment, as well as the ownership of any proceeds there from, is subject to government regulations.

Fixed assets that are owned by the Agency are recorded at cost if purchased or at fair market value at the date of gift, when donated. The cost of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed in the period incurred. When the Agency's fixed assets are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

The Agency follows the practice of capitalizing all expenditures for property, furniture, fixtures, and office equipment in excess of \$1,000.

NU-HOPE ELDER CARE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The Agency's employees can begin accruing annual leave upon initial employment. Vacation time can be used after completing one year of service with the Agency. The Agency's employees earn annual leave in varying amounts depending on the number of years and hours worked. Permanent full-time employees earn annual leave as follows:

1 to 5 Years	Up to 80 Hours per Year
Over 5 Years	Up to 120 Hours per year

Accrued vacation hours are not paid out upon voluntary resignation or termination. Hours are paid out if employees are terminated due to funding or budgetary constraints. The Agency's policy is to recognize the costs of compensated absences when actually paid to employees.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Grants and Aid

A majority of the Agency's grant and aid revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Agency has incurred expenditures in compliance with specific contract or grant provisions.

Contributions

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as Net Assets Released from Restrictions.

NU-HOPE ELDER CARE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Local In-Kind Match

Local in-kind match represents the estimated utilities and estimated fair rental value of building space. Contributed utilities and building space are provided on a month-to-month basis and amounted to \$11,208 and \$74,113, respectively. In Hardee County, utilities and building space are provided by the City of Wauchula. In Highlands County, building space is provided by the Highlands County Board of County Commissioners.

Depreciation and Amortization

Vehicles, furniture, and equipment are being depreciated over estimated useful lives of 3 to 10 years using a straight-line method. Buildings and building improvements are being depreciated over the estimated useful life. Leasehold improvements are amortized over the shorter of the term of the lease or the estimate useful life.

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 functional expenses. Most categories of expenses are attributed to both program and supporting functions. Therefore, these expenses require allocation on a reasonable basis. The basis of allocation for salary and payroll related expenses is a review of time spent by management and staff that is evaluated on a year to year basis. Distribution of all other expenses is based on management's estimate of usage applicable to the program and supporting services benefited.

Federal Income Taxes

The Agency has qualified with the Internal Revenue Service as exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and the Agency is classified as other than a private foundation within the meaning of Section 509(a) of the Code. Accordingly, no provision for income taxes has been made in these financial statements.

The Agency follows the income tax standard regarding the recognition and measurement of uncertain tax positions. This guidance clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements.

The Agency's informational tax returns are subject to review and examination by federal, state, and local authorities. The Agency is not aware of any activities that would jeopardize its tax-exempt status.

Use of Estimates

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

**NU-HOPE ELDER CARE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to December 31, 2021, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended December 31, 2021. Management has performed their analysis through June 21, 2022, which is the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31, 2021:

Cash and Cash Equivalents	\$ 860,087
Grants and Contracts Receivable	148,018
Other Receivables	3,734
Total	<u><u>\$ 1,011,839</u></u>

The Agency has a goal to maintain financial assets, which consist of cash and cash equivalents, grants receivable, and other receivables to meet a minimum of 60 days of normal operating expenses.

NOTE 3 LEASE OBLIGATIONS

The Agency leases administrative space on a three-year contract. In addition, the Agency has year-to-year leases which are cancelable. Total rental expense for the year was \$9,086. The following is a schedule by years of future minimum rental payments required under noncancelable leases.

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 8,100
2023	8,100
2024	2,025
Total	<u><u>\$ 18,225</u></u>

There are no material purchases, escalation, or contingent clauses in the leases.

**NU-HOPE ELDER CARE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 LONG-TERM DEBT

Long-term debt consists of the following at December 31, 2021:

<u>Description</u>	<u>Amount</u>
<p>Lake Placid thrift store expansion loan of \$299,900 payable to MidFlorida Credit Union beginning on June 22, 2016 and maturing on July 1, 2026, secured by the Lake Placid thrift store property. Beginning August 1, 2016, 12 monthly interest payments at a rate of 4.5%. Beginning August 1, 2017, 48 monthly principal and interest payments of \$2,116 at a rate of 4.5%. Beginning August 1, 2021, 59 monthly principal and interest payments of \$2,116 with interest calculated on the unpaid principal balance using an interest rate based on the prime rate as reported daily in <i>The Wall Street Journal</i>, New York edition, in the edition closest to the applicable change date as the base interest rate on corporate loans posted by at least 75% of the thirty (30) largest U.S. banks, plus a margin of 1.250 percentage points, the sum rounded up to the nearest 0.125. On July 1, 2026, the remaining principal and interest balance is due in full.</p>	<p>\$ 73,517</p>
<p>Sebring thrift store and office relocation loan of \$424,000 payable to Wauchula State Bank beginning on December 11, 2017 and maturing on December 11, 2042, secured by the future thrift store and office property. Beginning January 11, 2018, three monthly interest payments at a rate of 5%. Beginning April 11, 2018, 57 monthly principal and interest payments of \$2,510 at a rate of 5%. Beginning January 11, 2023, 239 monthly principal and interest payments of \$2,510 with interest calculated on the unpaid principal balance using an interest rate based on the Citibank New York Commercial Lending Rate, plus a margin of 0.750 percentage points, adjusted if necessary for the minimum and maximum rate limitation for this loan, up the initial interest rate of 5% per annum. On December 11, 2042, the remaining principal and interest on the balance is due in full.</p>	<p>341,733</p>

NU-HOPE ELDER CARE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 LONG-TERM DEBT (CONTINUED)

<u>Description</u>	<u>Amount</u>
<p>Sebring new office construction loan of \$660,462 payable to Wauchula State Bank beginning March 22, 2019 and maturing on March 22, 2045. Beginning April 22, 2019, 12 monthly interest payments at 5.5%. Beginning April 22, 2020, 60 monthly principal and interest payments of \$4,088 at a rate of 5.5%. Beginning April 22, 2025, 239 monthly principal and interest payments of \$4,088 at a rate of 5.5%, with interest calculated on the unpaid principal balance using an interest rate based on the Citibank New York Commercial Lending Rate. On March 22, 2045, the remaining principal and interest balance of \$4,088 is due in full.</p>	<p>\$ 622,968</p>
Total	1,038,218
Less: Current Maturities	40,267
Total Long-Term Debt	<u>\$ 997,951</u>

Future principal payments are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 40,267
2023	42,368
2024	44,526
2025	46,903
2026	37,004
Thereafter	827,150
Total	<u>\$ 1,038,218</u>

NOTE 5 LINE OF CREDIT

The Agency has an unsecured line of credit with a variable interest rate with a face amount of \$50,000. Interest payments on the unpaid balance are due monthly. At December 31, 2021, the balance of the line of credit was \$-0-. The line of credit is effective in full force and effect until such time all of the loans in favor of the lender have been paid in full.

NU-HOPE ELDER CARE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 CONCENTRATION OF REVENUE SOURCES

Approximately 55% of the Agency's revenue is derived from grants from the federal government, U.S. Department of Health and Human Services passed through the Senior Connection Center, Inc. (which is renewed annually) and state and local funds also passed through the Senior Connection Center, Inc. (which is renewed annually). The current level of the Agency's operations and program services may be impacted or segments discontinued if the funding is not renewed.

NOTE 7 RELATED PARTY TRANSACTIONS

A member of the Agency's board of directors is an officer of MidFlorida Credit Union, which has issued a note payable included in the long-term liabilities. See Note 4 to the financial statements.

NOTE 8 RETIREMENT PLAN

The Agency maintains a retirement plan for the benefit of its employees. The plan was established in November 2016. The agency has the option to match dollar-for-dollar contributions to the plan up to 3% of compensation. The Agency contributed \$10,219 to the retirement plan for the year ended December 31, 2021.

NOTE 9 COMMITMENTS AND CONTINGENCIES

Government grants require the fulfillment of certain conditions as set forth in the grant agreements. Failure to fulfill the conditions could result in the return of the funds to grantors. Based upon prior experience, management believes that disallowances, if any, would be immaterial.

NOTE 10 PAYCHECK PROTECTION PROGRAM

The Agency applied for and was approved a \$214,533 loan under the Paycheck Protection Program (PPP loan) created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The PPP loan accrues interest at 1% per annum, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payments are not required to begin for 10 months after the funding on the loan.

On July 1, 2021 principal of \$68,627 and accrued interest of \$808 was forgiven by the Small Business Administration. This amount is presented in the statement of activities as grants and aid. The remaining \$145,906 of principal and \$2,420 of interest was paid in full by the Agency on December 14, 2021.

**NU-HOPE ELDER CARE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 PAYCHECK PROTECTION PROGRAM (CONTINUED)

The SBA may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty, however, management is of the opinion that any review will not have a material adverse impact on the Agency's financial position.

**NU-HOPE ELDER CARE SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2021**

Grantor/Pass-Through Grant/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
<u>U.S. Department of Health and Human Services</u>				
Passed through State of Florida - Department of Elder Affairs and the Senior Connection Center, Inc.				
<u>Aging Cluster</u>				
Older Americans Act Title III B - Highlands	93.044	OAA-2021-HIGH	\$ -	\$ 171,897
Older Americans Act Title III B - Hardee	93.044	OAA-2021-HAR	-	32,397
COVID-19 Coronavirus Consolidated Appropriations Act - Highlands	93.044	CCAA-21/22-HIGH	-	2,995
COVID-19 Coronavirus Consolidated Appropriations Act - Hardee	93.044	CCAA-21/22-HAR	-	1,027
Total Title III B			-	208,316
Older Americans Act Title III C-1 - Highlands	93.045	OAA-2021-HIGH	-	85,055
Older Americans Act Title III C-1 - Hardee	93.045	OAA-2021-HAR	-	20,411
Older Americans Act Title III C-2 - Highlands	93.045	OAA-2021-HIGH	-	184,417
Older Americans Act Title III C-2 - Hardee	93.045	OAA-2021-HAR	-	38,692
COVID-19 Coronavirus Consolidated Appropriations Act - Highlands	93.045	CCAA-21/22-HIGH	-	94,302
COVID-19 Coronavirus Consolidated Appropriations Act - Hardee	93.045	CCAA-21/22-HAR	-	17,069
COVID-19 CARES Act No Wrong Door	93.045	CARES-NWD-2021-HIGH	-	34,000
Total Title III C			-	473,946
Nutrition Services Incentive Program - Highlands	93.053	NSIP-21/22-HIGH	-	32,722
Nutrition Services Incentive Program - Hardee	93.053	NSIP-21/22-HAR	-	12,570
Total Nutrition Services Incentive Program			-	45,292
Total Aging Cluster			-	727,554
Older Americans Act Title III E - Highlands	93.052	OAA-2021-HIGH	-	44,103
Older Americans Act Title III E - Hardee	93.052	OAA-2021-HAR	-	7,723
Total Title III E			-	51,826
Emergency Home Energy Assistance for the Elderly - Highlands	93.568	EH-21/22-HIGH	-	31,151
Emergency Home Energy Assistance for the Elderly - Highlands	93.568	EH-20/21-HIGH	-	859
COVID-19 CARES Act Emergency Home Energy Assistance for the Elderly	93.568	EHCA-20/21-HIGH	-	12,620
Emergency Home Energy Assistance for the Elderly - Hardee	93.568	EH-21/22-HAR	-	13,786
Emergency Home Energy Assistance for the Elderly - Hardee	93.568	EH-20/21-HAR	-	162
COVID-19 CARES Act Emergency Home Energy Assistance for the Elderly	93.568	EHCA-20/21-HAR	-	9,391
Total Emergency Home Energy Assistance for the Elderly			-	67,969
Total Expenditures of Federal Awards			\$ -	\$ 847,349

See accompanying Notes to Schedule of Federal Awards and State Financial Assistance.

NU-HOPE ELDER CARE SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
<u>State of Florida Department of Elder Affairs</u>				
Passed through the Senior Connection Center, Inc.				
Home Care for the Elderly - Highlands	65.001	HCE-21/22-HIGH	\$ -	\$ 2,133
Home Care for the Elderly - Highlands	65.001	HCE-20/21-HIGH	-	2,769
Home Care for the Elderly - Hardee	65.001	HCE-21/22-HAR	-	1,078
Home Care for the Elderly - Hardee	65.001	HCE-20/21-HAR	-	6,921
Total Home Care for the Elderly			<u>-</u>	<u>12,901</u>
Alzheimer Disease Initiative - Highlands	65.004	ADI-21/22-HIGH	-	72,861
Alzheimer Disease Initiative - Highlands	65.004	ADI-20/21-HIGH	-	109,404
Alzheimer Disease Initiative - Hardee	65.004	ADI-21/22-HAR	-	8,349
Alzheimer Disease Initiative - Hardee	65.004	ADI-20/21-HAR	-	10,791
Total Alzheimer Disease Initiative			<u>-</u>	<u>201,405</u>
Community Care for the Elderly - Highlands	65.010	CCE-21/22-HIGH	-	243,070
Community Care for the Elderly - Highlands	65.010	CCE-20/21-HIGH	-	264,732
Community Care for the Elderly - Hardee	65.010	CCE-21/22-HAR	-	18,642
Community Care for the Elderly - Hardee	65.010	CCE-20/21-HAR	-	25,579
Total Community Care for the Elderly			<u>-</u>	<u>552,023</u>
Total Expenditures of State Financial Assistance			<u>\$ -</u>	<u>\$ 766,329</u>

See accompanying Notes to Schedule of Federal Awards and State Financial Assistance.

NU-HOPE ELDER CARE SERVICES, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
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 award and state financial assistance activity of NU-HOPE Elder Care Services, Inc. under programs of the federal government and state of Florida for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and Chapter 69I-5, Rules of the Florida Department of Financial Services. Because the Schedule presents only a selected portion of the operations of NU-HOPE Elder Care Services, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of NU-HOPE Elder Care Services, 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, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 INDIRECT COST RATE

NU-HOPE Elder Care Services, Inc. has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal and state expenditures are reported on the statement of activities as program services. In certain programs, the expenditures reported in the basic financial statement may differ from the expenditures reported in the schedule of expenditures of federal awards and state financial assistance due to program expenditures exceeding grant or contract budget limitations which are not included as federal awards or state financial assistance.



**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**

Board of Directors
NU-HOPE Elder Care Services, Inc.
Sebring, 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 financial statements of NU-HOPE Elder Care Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, 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 June 21, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered NU-HOPE Elder Care Services, Inc.'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of NU-HOPE Elder Care Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of NU-HOPE Elder Care Services, Inc.'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 NU-HOPE Elder Care Services, Inc.'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 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Sebring, Florida
June 21, 2022



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

Board of Directors
NU-HOPE Elder Care Services, Inc.
Sebring, Florida

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

We have audited NU-HOPE Elder Care Services, Inc.'s 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 NU-HOPE Elder Care Services, Inc.'s major federal programs and state projects for the year ended December 31, 2021. NU-HOPE Elder Care Services, Inc.'s major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, NU-HOPE Elder Care Services, Inc. complied, in all material respects, with the 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 (GAAS); 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 for Local Governmental Entity Audits. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General, are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of NU-HOPE Elder Care Services, Inc. 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 NU-HOPE Elder Care Services, Inc.'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 NU-HOPE Elder Care Services, Inc.'s federal programs and state projects.

Auditors' 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 NU-HOPE Elder Care Services, Inc.'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 GAAS, *Government Auditing Standards*, the Uniform Guidance, and 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 NU-HOPE Elder Care Services, Inc.'s compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and 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 NU-HOPE Elder Care Services, Inc.'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 NU-HOPE Elder Care Services, Inc.'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 Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of NU-HOPE Elder Care Services, Inc.'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 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 or Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Sebring, Florida
June 21, 2022

**NU-HOPE ELDER CARE SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness identified? _____ yes x no
 - Significant deficiency identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness identified? _____ yes x no
 - Significant deficiency identified? _____ yes x none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
93.044, 93.045, 93.053	Aging Cluster
Dollar threshold used to distinguish between Type A and Type B programs:	\$ <u> 750,000 </u>
Auditee qualified as low-risk auditee	_____ yes <u> x </u> no

**NU-HOPE ELDER CARE SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Section I – Summary of Auditors' Results

State Financial Assistance

4. Internal control over major state projects:

- Material weakness identified? _____ yes x no
- Significant deficiency identified? _____ yes x none reported

5. Type of auditors' report issued on compliance for major state projects: Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, Rules of the Auditor General? _____ yes x no

Identification of Major State Projects

CSFA Number(s)

Name of State Project

65.010

Community Care for the Elderly

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 300,000

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Findings and Questioned Costs – Major State Projects

Our audit did not disclose any matters required to be reported in accordance with Chapter 10.650, Rules of the Auditor General.