

Senior Resource  
Association, Inc.



Senior Resource  
ASSOCIATION

Year Ended  
June 30, 2021

Financial  
Statements

**Rehmann**

# SENIOR RESOURCE ASSOCIATION, INC.

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March 25, 2022

Board of Directors  
Senior Resource Association, Inc.  
Vero Beach, Florida

We have audited the accompanying financial statements of **Senior Resource Association, Inc.** (the "Association"), which comprise the statement of financial position as of June 30, 2021, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Independent Auditors' Responsibility***

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ***Senior Resource Association, Inc.*** as of June 30, 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.

***Restatement***

As discussed in Note 11 to the financial statements, the July 1, 2020 net assets have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

***Change in Accounting Principle***

As described in Note 1 to the financial statements, in fiscal 2021 the Association adopted Accounting Standards Update ("ASU") ASU No. 2014-09, *Revenue from Contracts with Customers*, as amended. Our opinion is not modified with respect to this matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report March 25, 2021, on our consideration of the Association'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 Association's internal control over financial reporting or on compliance. That report is an integral part on an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.



# SENIOR RESOURCE ASSOCIATION, INC.

## Statement of Financial Position

June 30, 2021

### ASSETS

#### Current assets

Cash and cash equivalents	\$ 2,047,841
Grants receivable	1,029,097
Contributions receivable	195,859
Accounts receivable, net of allowance for doubtful accounts of \$35,000	26,812
Prepaid expenses	200,268
Other assets	50,169

**Total current assets** **3,550,046**

Net property and equipment	4,578,180
Contributed use of facilities	304,405
Assets restricted for capital projects	12,121
Deposits	7,095

**Total assets** **\$ 8,451,847**

### LIABILITIES AND NET ASSETS

#### Liabilities

Accounts payable	\$ 480,384
Accrued expenses	353,092
Refundable advances on conditional contributions	99,104
Other liabilities	7,874

**Total liabilities (all current)** **940,454**

Commitments and contingencies (Notes 6 and 7)

#### Net assets

Without donor restrictions	3,672,931
With donor restrictions	3,838,462

**Total net assets** **7,511,393**

**Total liabilities and net assets** **\$ 8,451,847**

The accompanying notes are an integral part of these financial statements.

# SENIOR RESOURCE ASSOCIATION, INC.

## Statement of Activities

Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, support and losses</b>			
Governmental fees and grants, operating	\$ 6,969,221	\$ 380,567	\$ 7,349,788
Governmental fees and grants, capital	577,081	969,246	1,546,327
Paycheck Protection Program loan forgiveness (Note 1)	730,060	-	730,060
Contributions	329,255	547,635	876,890
Program service fees	289,433	-	289,433
Fundraising, net of donor benefits of \$30,995	206,284	-	206,284
Interest income, net	5,279	-	5,279
Loss on disposal of property and equipment	(1,020)	-	(1,020)
Net assets released from restrictions	1,558,548	(1,558,548)	-
<b>Total revenue, support and losses</b>	<b>10,664,141</b>	<b>338,900</b>	<b>11,003,041</b>
<b>Expenses</b>			
Program services			
Transportation	5,666,481	-	5,666,481
Adult enrichment and respite	535,147	-	535,147
Senior support services	1,010,828	-	1,010,828
Meals on Wheels	1,288,876	-	1,288,876
Public guardian program	117,587	-	117,587
Total program services	8,618,919	-	8,618,919
Supporting services			
Management and general	1,308,796	-	1,308,796
Fundraising	180,736	-	180,736
Total supporting services	1,489,532	-	1,489,532
<b>Total expenses</b>	<b>10,108,451</b>	<b>-</b>	<b>10,108,451</b>
<b>Changes in net assets</b>	<b>555,690</b>	<b>338,900</b>	<b>894,590</b>
Net assets, beginning of year (as restated, see Note 11)	3,117,241	3,499,562	6,616,803
<b>Net assets, end of year</b>	<b>\$ 3,672,931</b>	<b>\$ 3,838,462</b>	<b>\$ 7,511,393</b>

The accompanying notes are an integral part of these financial statements.

## SENIOR RESOURCE ASSOCIATION, INC.

### Statement of Functional Expenses

Year Ended June 30, 2021

	Program Services					Total Program Services
	Transportation	Adult Enrichment and Respite	Senior Support Services	Meals on Wheels	Public Guardian Program	
Salaries and wages	\$ 2,011,885	\$ 243,999	\$ 197,886	\$ 248,630	\$ 47,235	\$ 2,749,635
Fringe benefits	239,508	40,517	26,902	18,392	8,473	333,792
Payroll taxes	165,095	19,653	15,941	21,247	3,583	225,519
Employment expenses	49,620	2,634	3,038	21,815	3,247	80,354
Retirement	41,078	5,403	5,657	5,821	1,395	59,354
<b>Total salaries and related expenses</b>	<b>2,507,186</b>	<b>312,206</b>	<b>249,424</b>	<b>315,905</b>	<b>63,933</b>	<b>3,448,654</b>
Subcontract services	882,975	8,974	-	-	-	891,949
Meals	-	4,667	-	819,371	-	824,038
Client services	824	-	701,474	-	-	702,298
Maintenance	500,495	7,103	6,119	23,933	769	538,419
Fuel	398,848	-	-	6,879	-	405,727
Occupancy	274,326	41,683	10,143	14,270	1,327	341,749
Insurance	242,180	14,361	4,895	18,187	10,258	289,881
Professional fees	59,915	17,546	9,185	31,190	34,252	152,088
Supplies	49,889	12,479	6,152	14,261	162	82,943
Advertising	14,611	6,891	6,899	5,861	3,881	38,143
Utilities	16,012	15,531	1,808	6,753	368	40,472
Provision for uncollectable accounts	-	-	-	-	-	-
Telephone	6,725	1,201	3,903	5,491	892	18,212
Fund development	-	-	-	-	-	-
Printing	8,494	1,778	251	1,362	59	11,944
Equipment	7,369	1,288	2,557	133	28	11,375
Travel	713	50	1,188	249	171	2,371
Dues and subscriptions	3,766	1,077	287	577	1,358	7,065
Community outreach	874	1,635	1,095	1,639	16	5,259
Postage	3,470	103	720	79	38	4,410
Interest expense and bank charges	1	51	206	1,343	-	1,601
Licenses and fees	-	408	-	625	75	1,108
<b>Total expenses by function</b>	<b>4,978,673</b>	<b>449,032</b>	<b>1,006,306</b>	<b>1,268,108</b>	<b>117,587</b>	<b>7,819,706</b>
Direct donor benefit expenses included with support on the statement of activities	-	-	-	-	-	-
Depreciation and amortization	687,808	86,115	4,522	20,768	-	799,213
<b>Total expenses included in the expense section on the statement of activities</b>	<b>\$ 5,666,481</b>	<b>\$ 535,147</b>	<b>\$ 1,010,828</b>	<b>\$ 1,288,876</b>	<b>\$ 117,587</b>	<b>\$ 8,618,919</b>

The accompanying notes are an integral part of these financial statements.



Supporting Services		Total
Management and General	Fundraising	

\$ 773,428	\$ 93,158	\$ 3,616,221
91,686	10,924	436,402
58,656	7,412	291,587
7,961	3,247	91,562
23,626	2,333	85,313

955,357	117,074	4,521,085
10,587	-	902,536
-	-	824,038
-	-	702,298
32,667	12,883	583,969
-	-	405,727
34,322	1,275	377,346
38,850	3,185	331,916
96,336	9,650	258,074
7,301	20,301	110,545
57,972	2,426	98,541
12,036	196	52,704
35,000	-	35,000
13,591	385	32,188
-	30,731	30,731
1,283	6,533	19,760
3,560	10	14,945
6,687	119	9,177
1,743	320	9,128
-	2,957	8,216
1,332	1,064	6,806
3	1,780	3,384
169	300	1,577

**1,308,796      211,189      9,339,691**

-      (30,995)      (30,995)

-      542      799,755

**\$ 1,308,796      \$ 180,736      \$ 10,108,451**

# SENIOR RESOURCE ASSOCIATION, INC.

## Statement of Cash Flows

Year Ended June 30, 2021

### Cash flows from operating activities

Changes in net assets	\$ 894,590
Adjustments to reconcile changes in net assets to net cash provided by operating activities	
Depreciation	799,755
Amortization of contributed use of facilities	239,568
Grants and contributions restricted to capital projects	(969,246)
Provision for uncollectable accounts	35,000
Paycheck Protection Program loan forgiveness	(730,060)
Noncash contribution of leased asset	(163,078)
Loss on disposal of property and equipment	1,020
Changes in operating assets and liabilities which provided (used) cash	
Grants receivable	227,316
Contributions receivable	132,000
Accounts receivable	(36,168)
Prepaid expenses	83,508
Other assets	(8,352)
Deposits	(7,095)
Accounts payable	43,602
Accrued expenses	65,592
Refundable advances on conditional contributions	(76,279)
Other liabilities	2,531
<b>Net cash provided by operating activities</b>	<b><u>534,204</u></b>
<b>Cash flows from investing activities</b>	
Decrease in assets restricted for capital projects	39,770
Purchases of property and equipment	(690,197)
<b>Net cash used in investing activities</b>	<b><u>(650,427)</u></b>
<b>Cash provided by financing activities</b>	
Collections of grants and contributions restricted to capital projects	445,762
<b>Net increase in cash and cash equivalents</b>	<b>329,539</b>
Cash and cash equivalents, beginning of year	<u>1,718,302</u>
<b>Cash and cash equivalents, end of year</b>	<b><u><u>\$ 2,047,841</u></u></b>

The accompanying notes are an integral part of these financial statements.

# SENIOR RESOURCE ASSOCIATION, INC.

## Notes to Financial Statements

### 1. NATURE OF ORGANIZATION, BASIS OF PRESENTATION. AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Nature of Organization*

The Senior Resource Association promotes independence and dignity in our community by providing services to older adults and transportation to all. **Senior Resource Association, Inc.** (the "Association") was incorporated as a nonprofit organization under Internal Revenue Code Section 501(c)(3) in January 1974 to provide programs and services designed to support an active, healthy, independent life for older adults. The Association assists seniors and their families in finding the resources they seek, delivers quality, professional services that meet a senior's individual needs, and provides programs and volunteer opportunities for active older adults. Key programs include: Transportation, Adult Enrichment and Respite, Senior Support Services, Meals on Wheels and Public Guardian. The Association is recognized as the lead agency in Indian River County (the "County") for home and community based services for older adults. In addition, the Association is contracted by the County as the Community Transportation Coordinator operating GoLine, a public transit system, and Community Coach, a door-to-door transportation program. The Association is also contracted by Martin County as the Community Transportation Coordinator operating the Martin County Community Coach, a door-to-door transportation program.

#### *Risks and Economic Uncertainties*

The outbreak of a novel coronavirus (COVID-19), which the World Health Organization declared in March 2020 to be a pandemic, continues to spread throughout the United States of America and the globe. Many State Governors issued temporary Executive Orders that, among other stipulations, effectively prohibited in-person work activities for most businesses and industries including nonprofit entities, having the effect of suspending or severely curtailing operations. As a result, the COVID-19 outbreak continues to disrupt and affect the Association's normal activities. The extent of the ultimate impact of the pandemic on the Association's operational and financial performance will depend on various developments, including the duration and spread of the outbreak and its impact on funders, program recipients, employees and vendors, all of which cannot be reasonably predicted at this time. In addition, the current environment may place additional demands on the Association for providing immediate financial support and/or services to its program recipients. While management reasonably expects the COVID-19 outbreak to negatively impact the Association's financial position, changes in net assets, and, where applicable, the timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

#### *The Paycheck Protection Program*

In April 2020, the Association received \$730,060 as a loan under the Payroll Protection Program ("PPP") of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), which was enacted into law on March 28, 2020. Under the program terms, PPP loans are forgiven if the loan proceeds are used to maintain compensation costs and employee headcount, and other qualifying expenses (mortgage interest, rent, and utilities) incurred following the receipt of the loan. The portion of the PPP loan that is not forgiven is subject to a 1% interest rate and is due within two years. In March 2021, the Association received full forgiveness of the PPP loan under the terms of the CARES Act program. Forgiveness of the PPP loan is recognized as PPP loan forgiveness on the statement of activities.

# SENIOR RESOURCE ASSOCIATION, INC.

## Notes to Financial Statements

### *Basis of Presentation*

Net assets, revenue, support, 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 are not subject to donor (or certain grantor) restrictions. The Association's board of directors may designate a portion of these assets for specific purposes. There were no board-designated net assets at June 30, 2021.
- *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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, and are reported as net assets released from restrictions (see Note 5). The Association does not have any net assets with donor-imposed restrictions that are perpetual in nature.

### *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 of assets and liabilities, and disclosures of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenue, support and expenses during the year. Accordingly, actual results may differ from those estimates.

### *Cash and Cash Equivalents*

Cash and cash equivalents consist of amounts maintained in bank demand deposits and money market accounts which at times may exceed the federally insured limits. Management does not believe the Association is exposed to any significant interest rate or other financial risk as a result of these deposits.

## SENIOR RESOURCE ASSOCIATION, INC.

### Notes to Financial Statements

#### *Revenue from Contracts with Customers - Program Service Fees*

Revenue from contracts with customers consists solely of program service fees and includes contracts with clients to provide adult enrichment, respite programs and nutrition services. Revenues for these services are recorded during the period, or at the point in time, obligations to provide services are satisfied. Performance obligations for adult enrichment and respite services are generally satisfied over time and revenues are recognized based on charges incurred in relation to total expected charges. Performance obligations for these services are generally satisfied by the Association over the duration of the program, typically a period of less than one day. Performance obligations for nutrition services are satisfied at the point in time the service is rendered. Contractual relationships with clients, in most cases, involve a third party payor (Medicare, Medicaid, managed care health plans, and commercial insurance plans) and the transaction prices for the services provided are dependent upon the terms provided by or negotiated with those third party payors. Revenue recognized over time and at the point in time totaled \$148,739 and \$140,694, respectively for the year ended June 30, 2021.

Revenues are based upon the estimated amounts expected to be received from customers and third party payors. Estimates of contractual adjustments are based upon the payment terms specified in the related contractual agreements.

The Association has contracted to provide non-emergency transportation services and in-home services such as homemaking, respite, and case management, to all eligible Medicaid clients. Reimbursement from Medicaid is based on units of service provided.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. Compliance with such laws and regulations may also be subject to future government review and interpretation and could result in significant regulatory action, including fines, penalties and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Association's compliance with these laws and regulations, and it is not possible to determine the impact, if any, such claims would have upon the Association. In addition, other third party payors also provide for retroactive audit and review of claims. Settlements with third party payors for retroactive revenue adjustments are considered variable consideration and have not been historically significant.

#### *Contributions and Support Recognition*

Unconditional contributions are recognized as support in the period received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return or right of release, are not recognized until the conditions on which they depend have been met. Support restricted by donors is reported as an increase in net assets without donor restrictions if the restrictions expire in the reporting period in which the support is recognized.

Fundraising is recorded net of direct costs by the Association. The exchange portion of the transactions for the direct costs of the benefits received totaled \$30,995 in fiscal 2021 and is not presented as revenue in the accompanying statement of activities as the amount is not significant.

# SENIOR RESOURCE ASSOCIATION, INC.

## Notes to Financial Statements

Grant awards are either recorded as contributions or exchange transactions based on criteria contained in the grant award:

*Grant awards that are conditional contributions* - Governmental fees and grants that qualify as support are recorded as grants receivable when the related allowable expenses or asset acquisition costs are incurred. No allowance for doubtful accounts was deemed necessary at June 30, 2021. Amounts received in excess of expenses or asset acquisitions are reflected as refundable advances on conditional contributions in the accompanying statement of financial position and totaled \$99,104 at June 30, 2021.

*Grant awards that are exchange transactions* - Revenue is recognized when control of the promised goods or services is transferred to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. There were no governmental fees and grants that were considered exchange transactions during the year ended June 30, 2021.

### ***In-Kind Contributions***

The Association records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance a nonfinancial asset or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received.

### ***Contribution Receivable***

The contribution receivable consists primarily of an unconditional promise to give from one donor which is expected to be collected in full during fiscal 2022.

### ***Accounts Receivable***

Accounts receivable consists of unsecured program service fees. Receivables from individual payors are generally due upon presentation of invoice. Receivables due from third party payors are generally due in 30 to 60 days. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to the valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

The Association's accounts receivable, net of the allowance for doubtful accounts, were as follows for the year ended June 30, 2021:

Beginning balance, July 1	\$	25,644
Ending balance, June 30	\$	26,812

# SENIOR RESOURCE ASSOCIATION, INC.

## Notes to Financial Statements

### *Property and Equipment and Depreciation*

Property and equipment costing over \$1,000 are stated at cost. Donated assets are recorded at fair value when received. Major improvements and renewals are capitalized while ordinary maintenance and repairs are expensed. Management reviews these assets for impairment whenever events or changes in circumstances indicate the related carrying amount may not be recoverable. Fixed assets are depreciated or amortized using the straight-line method over the estimated useful lives of the related assets, which range from 5 to 30 years.

The County has received on behalf of the Association, Department of Transportation (the DOT) Section 5307, Federal Transit Capital and Operation Assistance Formula Grants. Under the grants, the County is the grantee and the Association is a sub-recipient. The DOT requires certain capital acquisitions purchased under the grants to be titled to the grantee (the County). The County has given the use of these long-lived assets to the Association, for as long as the Association remains the County's Community Transportation Coordinator.

The Association has recorded these assets as capital additions and recognized expenses in the period the long-lived assets are used. Additionally, the contribution is reported as restricted support that increases net assets with donor restrictions. Expense for depreciation is recognized over the asset's useful life, and net assets are periodically reclassified from net assets with donor restrictions to net assets without donor restrictions as these expenses are recognized.

### *Income Taxes*

The Association is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is exempt from similar state and local taxes. Although the Association was granted an income tax exemption by the Internal Revenue Service, such exemption does not apply to "unrelated business taxable income." Such income, pursuant to the Internal Revenue Code and related regulations, includes certain investment income such as interest. The Association has been classified as not a private foundation.

As of June 30, 2021, the Association has approximately \$175,000 of unused net operating loss carryforwards to be applied to future taxable income. These carryforwards are the result of rental activities, which ceased in 2015, and expire from 2026 through 2035. Management has evaluated the realizability of these deferred income tax assets and has determined that they are not likely to be used as the Association does not anticipate generating future rental income against which these net operating loss carryforwards could be applied. Therefore, the Association has provided a 100% valuation allowance related to these deferred tax assets.

## SENIOR RESOURCE ASSOCIATION, INC.

### Notes to Financial Statements

The Association analyzes its income tax filing positions in the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in these jurisdictions, to identify potential uncertain tax positions. Association management has evaluated its income tax filing positions for fiscal years 2018 through 2021, the years, which remain subject to examination as of June 30, 2021 and have concluded that there are no significant uncertain tax positions requiring recognition in the Association's financial statements. The Association does not expect the total amount of unrecognized tax benefits ("UTB") (e.g. tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly change in the next twelve months. The Association does not have any amounts accrued for interest and penalties related to UTBs at June 30, 2021, and is not aware of any claims for such amounts by federal or state income tax authorities.

#### *Functional Allocation of Expenses*

The cost of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than the program or one supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses are allocated based on management's analysis of personnel time, square footage utilized, or other estimates of usage.

#### *Change in Accounting Principle*

The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* (Accounting Standards Codification Topic 606), in May 2014. The standard, as amended, requires revenue to be recognized when promised goods and services are transferred to customers in amounts that reflect the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard also requires expanded disclosures regarding revenue and contracts with customers. On July 1, 2020, the Association adopted the standard using the modified retrospective method and elected to apply the provisions only to contracts that were not completed as of that date. There was no impact to the timing or amount of revenue recognized as a result of this adoption.

#### *Subsequent Events*

In preparing these financial statements, management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to June 30, 2021, the most recent statement of financial position presented herein, through March 25, 2022, the date these financial statements were available to be issued. No significant such events or transactions were identified.

# SENIOR RESOURCE ASSOCIATION, INC.

## Notes to Financial Statements

### 2. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditures, 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 June 30, 2021:

Cash and cash equivalents	\$ 2,047,841
Grants, contributions and accounts receivable	<u>1,251,768</u>
Total	3,299,609
Less net assets with donor restrictions, excluding the vehicles and equipment and contributed use of facilities restrictions which do not require the use of financial assets	<u>(435,812)</u>
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	<b><u>\$ 2,863,797</u></b>

The Association manages its financial assets to provide sufficient liquidity for operations. As part of liquidity management, the Association structures its financial assets to be available as its general expenditures, liabilities and other obligations become due. The Association receives certain support and revenues without donor restrictions throughout the year that is also available for general expenditures. Additionally, the Association maintains a \$300,000 line of credit, as discussed at Note 4, which is available to meet cash flow needs.

### 3. PROPERTY AND EQUIPMENT

Net property and equipment consists of the following amounts at June 30, 2021:

<b>Property and equipment</b>	
Land	\$ 217,101
Buildings and improvements	2,780,699
Vehicles	655,277
Vehicles - title held by grantor	5,602,194
Furniture and computer equipment	688,522
Furniture and computer equipment - title held by grantor	<u>1,759,125</u>
Total	11,702,918
Less accumulated depreciation	<u>7,124,738</u>
<b>Net property and equipment</b>	<b><u>\$ 4,578,180</u></b>

The carrying value and net book value of vehicles and equipment where title is held by certain grantors totaled \$7,361,319 and \$3,098,245 respectively at June 30, 2021.

## SENIOR RESOURCE ASSOCIATION, INC.

### Notes to Financial Statements

#### 4. BORROWED DEBT

The Association has available a \$300,000 revolving line of credit available to fund variations in its cash flow cycle. Interest is charged at prime, effective rate of 3.25% at June 30, 2021. The line of credit agreement has no stated maturity date and requires an annual thirty-day resting period with a zero balance prior to each anniversary date of the loan. As of June 30, 2021, there was no outstanding balance on the line of credit.

#### 5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions subject to purpose restrictions consists of the following at June 30, 2021:

Subject to expenditure for specified purpose:

Vehicles and equipment - specified use restricted by grantor	\$ 3,098,245
Contributed use of facilities - specified use restricted by grantor	304,405
Meals On Wheels programs	205,404
Guardianship program	123,757
Day Away scholarships	41,049
Capital projects	12,121
Music therapy	3,100
Other	<u>50,381</u>
<b>Total net assets with donor restrictions</b>	<b><u><u>\$ 3,838,462</u></u></b>

#### 6. LEASES

In February 2021, the Association entered into an agreement to lease office space. The lease has a 49 month term which matures in May 2025 and requires monthly payments of \$3,291 for the first year, which began in mid-June 2021, with annual escalations of monthly payments to \$3,795 in the final year of the agreement. The Association is also party to lease agreements for use of certain office equipment with terms of 60 months and payments ranging from \$201 to \$671 which expire between September 2024 and June 2026. Rent expense for these leases was \$12,049 in fiscal 2021.

The following is a schedule of annual future minimum lease payments required under operating leases with initial or remaining non-cancelable lease terms in excess of one year for the five years succeeding June 30, 2021:

Year	Amount
2022	\$ 50,132
2023	52,147
2024	48,119
2025	44,157
2026	<u>2,143</u>
<b>Total</b>	<b><u><u>\$ 196,698</u></u></b>

# SENIOR RESOURCE ASSOCIATION, INC.

## Notes to Financial Statements

The Association leases land and buildings from the County under an agreement that terminates on June 30, 2023 and provides for a total rental of \$7 due in advance. The lease is cancelable in the event the Association ceases acting as the County's Transit Service Provider under its transportation operations.

The Association subleases additional land and buildings from the County under a lease agreement that terminates on May 31, 2022 and provides for a total rental of \$5 due in advance. The lease is cancelable in the event the Association ceases acting as the County's transit service provider under its transportation operations.

The Association has recorded a multiyear contributed use of facilities asset from the County for the difference between the fair rental value of the land and buildings and the stated amount of the lease payments. This asset is amortized as occupancy expense over the period of the leases. Amortization of the contributed use of facilities asset totaled \$239,568 in fiscal 2021. The use of the facilities is restricted for specified purposes by the County.

## 7. CONTINGENCIES

The Association has received federal and state grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal and state regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the Association. No provision for any liability that may result has been recognized in the Association's financial statements, as management has determined that any such liability is not significant.

## 8. GOVERNMENT FEES AND GRANTS

The Association received governmental fees and grants during the year ended June 30, 2021 under the following programs:

Area Agency on Aging Grants	
Community care for the elderly	\$ 447,382
Home care for the elderly	37,826
Alzheimer's respite services	227,324
Nutrition services incentive program	51,959
Special programs for the aging	
Title III, part B - supportive services and senior center	144,846
Title III, part C - nutrition services	315,983
COC2	54,849
National Family Caregiver Support - title III, part E-supportive services	55,418
CARES Act	350,347
Emergency Home Energy Assistance	70,735
Florida Department of Elder Affairs	
Public Guardian Program	94,991

continued

## SENIOR RESOURCE ASSOCIATION, INC.

### Notes to Financial Statements

Florida Commission for the Transportation	
Disadvantaged Trip and Equipment Grant Program	\$ 806,821
Innovation and Service Development Grant	188,950
Federal Department of Transportation Grants	
Federal Transit Capital Assistance	876,329
Federal Transit Operating Assistance	669,998
Federal Transit CARES Act Assistance	2,023,078
Public Transportation for Nonurbanized Areas	283,574
Florida Department of Transportation Grants	
Block Grants	240,843
Service Development Grant	206,600
Payroll Protection Program	730,060
Florida Developmental Disabilities Council	
Transportation Voucher Replication Project	163,684
Indian River County Hospital District	
Public Guardian and Emergency Meals on Wheels grant	31,567
St. Lucie County	93,470
Indian River County	1,376,207
Martin County	61,329
Indiantown	22,005
	<hr/>
<b>Total governmental fees and grants</b>	<b><u><u>\$ 9,626,175</u></u></b>

Governmental fees and grants were comprised of the following components at June 30, 2021:

Governmental fees and grants, operating	\$ 7,349,788
Governmental fees and grants, capital	1,546,327
Payroll Protection Program	730,060
	<hr/>
<b>Total governmental fees and grants</b>	<b><u><u>\$ 9,626,175</u></u></b>

The Association has grant agreements with grantors to provide support for future expenditures. These amounts have not been recognized as support in the fiscal 2021 statement of activities as the conditions of the associated grants have not yet been met and consist of the following amounts at June 30, 2021:

Operating grants	\$ 2,083,223
CARES Act grants	4,161,252
Capital grants	6,057,511
	<hr/>
<b>Total</b>	<b><u><u>\$ 12,301,986</u></u></b>

# SENIOR RESOURCE ASSOCIATION, INC.

## Notes to Financial Statements

### 9. RETIREMENT PLAN

The Association sponsors a deferred compensation plan (the "Plan") qualified under Section 403(b) of the Internal Revenue Code. Under the Plan, eligible employees are permitted to contribute up to 100% of compensation into the Plan, up to a maximum determined by the Internal Revenue Code. The Association matches each employee contribution at a rate of 100% of the first 3% contributed by the employee plus 50% of employee contributions between 3% and 5% of compensation, and may make an additional discretionary matching contribution not to exceed 4% of compensation. Association contributions to this plan were \$84,411 in fiscal 2021.

### 10. SUPPLEMENTAL CASH FLOWS INFORMATION

#### *Non-Cash Investing and Financing Activities*

The Association obtained property and equipment in the amount of \$523,484 during fiscal 2021 that was paid for directly by a grantor. The Association also recorded a \$163,078 multiyear use of facility asset in fiscal 2021 that was contributed by the County.

### 11. RESTATEMENTS

A change in the useful life of certain property and equipment which was discovered in fiscal 2021 resulted in the understatement of the previously reported value of net property and equipment. Prior to fiscal 2021, certain property and equipment with donor restrictions were reported as having a useful life of 5 or 8 years. The useful lives of these assets were changed to 8 and 12 years, respectively. Additionally, it was determined that several assets were being reported as construction in progress and were therefore not depreciated. The accumulated depreciation was also changed for these assets. The effect of this restatement was to increase net property and equipment and net assets with donor restrictions by \$640,521 at July 1, 2020.

A finding in the accounting for a multiyear use of facilities contribution was identified in fiscal 2021. Based on the adoption of *ASU No. 2018-08* on July 1, 2019, the contribution was not properly reported as support at the time the unconditional promise to give was received in a prior year, which resulted in an understatement of both the contributed use of facilities asset and net assets with donor restrictions. The effect of the restatement was to increase net assets with donor restrictions and the contributed use of facilities asset by \$380,895 at July 1, 2020.

Additionally, as a result of the new standard adopted on July 1, 2019, a finding in accounting resulted in an overstatement of previously reported deferred revenue was identified in fiscal 2021. The Association was not properly recording support as barriers were met for certain conditional contributions. The effect of the restatement was to increase net assets without donor restrictions and decrease deferred revenue by \$166,416 at July 1, 2020.

## SENIOR RESOURCE ASSOCIATION, INC.

### Notes to Financial Statements

The following is a summary of the effect of the above adjustments on the July 1, 2020 net assets:

	<b>As Originally Reported</b>	<b>As Restated</b>	<b>Corrective Effect of Change</b>
Net assets without donor restrictions at July 1, 2020	\$ 2,950,825	\$ 3,117,241	\$ 166,416
Net assets with donor restrictions at July 1, 2020	2,478,146	3,499,562	1,021,416
Total net assets at July 1, 2020	5,428,971	6,616,803	1,187,832

■ ■ ■ ■ ■

**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***

March 25, 2022

Board of Directors  
Senior Resource Association, Inc.  
Vero Beach, 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 the **Senior Resource Association, Inc.** (the "Association") which comprise the statement of financial position as of June 30 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 March 25, 2022.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Association'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 the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs, as item 2021-001 that we consider to be a material weakness.



## **Compliance and Other Matters**

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

## **Senior Resource Association Inc.'s Response to Findings**

The Association's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Association's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## **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 Association'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.

*Rehmann Lobson LLC*

**Independent Auditors' Report on Compliance for Each Major Federal Program  
and Major State Project and on Internal Control over Compliance  
Required by the Uniform Guidance and Chapter 10.650, Rules of The Auditor General**

March 25, 2022

Board of Directors  
Senior Resource Association, Inc.  
Vero Beach, Florida

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

We have audited the compliance of **Senior Resource Association, Inc.** (the "Association") with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the Association's major federal programs and major state projects for the year ended June 30, 2021. The Association's major federal programs and major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state projects applicable to its federal programs and state projects.

### **Independent Auditors' Responsibility**

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

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



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

In our opinion, the Association 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 major state projects for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

Management of the Association is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Association's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over compliance.

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

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

### ***Purpose of this Report***

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





**Independent Auditors' Report on the Schedule of Expenditures of Federal Awards  
and State Projects Required by the Uniform Guidance and Chapter 10.650,  
*Rules of the Auditor General***

March 25, 2022

Board of Directors  
Senior Resource Association, Inc.  
Vero Beach, Florida

We have audited the financial statements of the **Senior Resource Association, Inc.** (the "Association") which comprise the statement of financial position as of June 30, 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. We issued our report thereon dated March 25, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state projects is presented for purposes of additional analysis as required by 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*, 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 expenditure of federal awards and state projects is fairly stated in all material respects in relation to the financial statements as a whole.

*Rehmann Lobson LLC*



**SENIOR RESOURCE ASSOCIATION, INC.**

**Schedule of Expenditures of Federal Awards and State Projects**

Year Ended June 30, 2021

Federal/State Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
<b>U.S. Department of Transportation</b>				
<b>Federal Transit Cluster</b>				
Federal Transit Capital Assistance				
2015 Entitlement	20.507	IRC	FL-90-X888-00	\$ 47,456
2016 Entitlement	20.507	IRC	FL-2016-033-0	381,513
2018 Entitlement	20.507	IRC	FL-2018-103-00	260,209
2019 Entitlement	20.507	IRC	FL-2019-061-00	182,066
2020 Entitlement	20.507	IRC	FL-2021-014-00	490,233
COVID-19 2020 Entitlement - CARES Act	20.507	IRC	FL-2020-075-00	<u>2,023,078</u>
<b>Total Federal Transit Cluster</b>				<b><u>3,384,555</u></b>
Public Transportation for Nonurbanized Areas (5311)				
<b>Transit Services Programs Cluster</b>				
Formula Grants for Rural Areas	20.509	IRC	G1F64	38,100
Formula Grants for Rural Areas COVID-19	20.509	IRC	5311 CARES Act (G1L75)	76,393
Formula Grants for Rural Areas	20.509	IRC	G1V00	<u>9,332</u>
<b>Total Transit Services Programs Cluster</b>				<b><u>123,825</u></b>
Public Transportation for Nonurbanized Areas (5310)				
FM#435210-8-93-06	20.513	FDOT	None	79,439
FM# 444256-1-84-02 - IndianTown	20.513	FDOT	G1K46	20,338
FM# 440288-1-84-04	20.513	FDOT	G1M78	58,305
FM# 444256-1-84-03 - IndianTown	20.513	FDOT	G1W66	<u>1,666</u>
<b>Total Transit Services Programs Cluster</b>				<b><u>159,748</u></b>
<b>Total U.S. Department of Transportation</b>				<b><u>3,668,128</u></b>
<b>U.S. Department of Health and Human Services</b>				
<b>Aging Cluster</b>				
Older Americans Act Title IIIB - Support Services	93.044	FDEA	IA020-9300	80,502
Older Americans Act Title IIIB - Support Services	93.044	FDEA	IA021-9300	65,242
Older Americans Act Title IIIB - Support Services COVID-19	93.044	FDEA	CARES Act CA3B	62,708
Older Americans Act Title III C1 - Congregate Meals	93.045	FDEA	IA020-9300	42,507
Older Americans Act Title III C1 - Congregate Meals	93.045	FDEA	IA021-9300	36,320
Older Americans Act Title III C1 - Congregate Meals COVID-19	93.045	FDEA	CARES Act CA3C	245,087
Older Americans Act Title III C2 - Home Delivered Meals	93.045	FDEA	IA020-9300	124,233
Older Americans Act Title III C2 - Home Delivered Meals	93.045	FDEA	IA021-9300	112,915
Older Americans Act Title III C2 - Home Delivered Meals	93.045	FDEA	ICV21-9300	54,849
Older Americans Act Nutrition Services Incentive Program	93.053	FDEA	IA020-9300	26,938
Older Americans Act Nutrition Services Incentive Program	93.053	FDEA	IA021-9300	<u>23,803</u>
<b>Total Aging Cluster</b>				<b><u>875,104</u></b>
Older Americans Act Title III E - Caregiver Support	93.052	FDEA	IA020-9300	27,755
Older Americans Act Title III E - Caregiver Support	93.052	FDEA	IA021-9300	43,608
Older Americans Act Title III E - Caregiver Support COVID-19	93.052	FDEA	CARES Act CA3E	<u>13,508</u>
				<b><u>84,871</u></b>

See notes to schedule of expenditures of federal awards and state projects.

**SENIOR RESOURCE ASSOCIATION, INC.**

**Schedule of Expenditures of Federal Awards and State Projects**

Year Ended June 30, 2021

Federal/State Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
Energy Home Energy Assistance for the Elderly Program	93.568	FDEA	IP019-9300	\$ 44,450
Energy Home Energy Assistance for the Elderly Program	93.568	FDEA	IP021-9300	4,449
Energy Home Energy Assistance for the Elderly Program COVID-19	93.568	FDEA	IPC20-9300 (CARES Act)	21,836
				<u>70,735</u>
Florida Developmental Disabilities Council	93.630		1043TRP20	<u>163,684</u>
<b>Total U.S. Department of Health and Human Services</b>				<b><u>1,194,394</u></b>
<b>Total Expenditures of Federal Awards</b>				<b><u>4,862,522</u></b>
<b>State Programs</b>				
<b>Florida Department of Transportation</b>				
Commission for Transportation Disadvantaged (CTD)				
Trip & Equipment (TD) - IRC	55.001	Direct	G1N96	417,346
Trip & Equipment (TD) - MC	55.001	Direct	G1O15	335,060
				<u>752,406</u>
Public Transit Block Grant Program	55.010	Direct	G1F69	<u>240,843</u>
Public Transit Service Development Program	55.012	Direct	G1652	56,300
Public Transit Service Development Program	55.012	Direct	G1M90	150,300
				<u>206,600</u>
Innovation and Service Development Grant	55.045	Direct	G1O39	<u>188,950</u>
<b>Total Florida Department of Transportation</b>				<b><u>1,388,799</u></b>
<b>Florida Department of Elder Affairs</b>				
Home Care for the Elderly	65.001	AAA	IH019-9300	<u>37,826</u>
Alzheimer's Disease Initiative	65.002	AAA	IZ019-9300	<u>227,324</u>
Office of Public & Professional Guardians	65.003	AAA	X9278	<u>94,991</u>
Community Care for the Elderly	65.010	AAA	IC019-9300	<u>447,382</u>
<b>Total Florida Department of Elder Affairs</b>				<b><u>807,523</u></b>
<b>Total Expenditures of State Projects</b>				<b><u>2,196,322</u></b>
<b>Total Expenditures of Federal Awards and State Projects</b>				<b><u>\$ 7,058,844</u></b>

See notes to schedule of expenditures of federal awards and state projects.

# SENIOR RESOURCE ASSOCIATION, INC.

## Notes to Schedule of Expenditures of Federal Awards and State Projects

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards and state projects (the "Schedule") includes the federal and state grant activity of *Senior Resource Association, Inc.* (the "Association") under programs of the federal and state government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), Chapter 10.650, *Rules of the Auditor General*, and other applicable guidance. Because the schedule presents only a selected portion of the operations of the Association, it is not intended to and does not present the financial position, changes in net position or cash flows of the Association.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

### 2. 10% DE MINIMIS COST RATE

For purposes of charging indirect costs to federal awards, the Association has not elected to use the de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

### 3. PASS-THROUGH AGENCIES

The Association receives certain federal grants as subawards from non-federal entities. Pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

Pass-through Agency Abbreviation	Pass-through Agency Name
AAA	Area Agency on Aging
FDEA	Florida Department of Elder Affairs
FDOT	Florida Department of Transportation
IRC	Indian River County



# SENIOR RESOURCE ASSOCIATION, INC.

## Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2021

### SECTION I - SUMMARY OF AUDITORS' RESULTS

#### Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  X  yes   no

Significant deficiency(ies) identified?   yes  X  none reported

Noncompliance material to financial statements noted?   yes  X  no

#### Federal Awards and State Projects

Internal control over major programs:

Material weakness(es) identified?   yes  X  no

Significant deficiency(ies) identified?   yes  X  none reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) and Chapter 10.650?   yes  X  no

Identification of major programs and type of auditors' report issued on compliance for each major program:

<u>ALN</u>	<u>Name of Federal Program or Cluster</u>	<u>Type of Report</u>
20.FTC	Federal Transit Cluster	Unmodified
93.AG	Aging Cluster	Unmodified

<u>CSFA Number</u>	<u>Name of State Project</u>	<u>Type of Report</u>
55.001	Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program	Unmodified
65.010	Community Care for the Elderly	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs:  \$ 750,000  (Federal)

\$ 658,897  (State)

Auditee qualified as low-risk auditee?  X  yes   no (N/A for State)

# SENIOR RESOURCE ASSOCIATION, INC.

## Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2021

### SECTION II – FINANCIAL STATEMENT FINDINGS

#### 2021-001 - Material Audit Adjustments

**Finding Type.** Material Weakness in Internal Control over Financial Reporting.

**Criteria.** Management is responsible for maintaining its accounting records in accordance with generally accepted accounting principles (GAAP).

**Condition.** During our audit, we identified and proposed material adjustments, including restatements (which were approved and posted by management) to adjust the Association's accounting records. As is the case with many smaller and medium-sized entities, the Association has historically relied on its independent external auditors' assistance in recommending appropriate accounting policies and accounting treatments for nonroutine transactions and to assist in the preparation of the financial statements and footnotes as part of its external financial reporting process. We believe these misstatements to be the result of management's reliance on the assistance from the external auditors. Accordingly, the management's ability to perform these tasks in accordance with GAAP is based, in part, on its reliance on its external auditors, who cannot by definition be considered a part of the association's management or internal controls.

**Cause.** This condition was caused by the association's decision that it is more cost effective to outsource the preparation of its annual financial statements to the auditors than to incur the time and expense of obtaining the necessary training and expertise required for the association to perform this task internally.

**Effect.** As a result of this condition, the Association's financial information was initially misstated by amounts that were deemed to be quantitatively material. Correcting entries were subsequently posted by management to the Association's records and the appropriate balances are presented in the audited financial statements.

**Recommendation.** Management has already taken appropriate corrective action by posting correcting journal entries.

**View of Responsible Officials.** See corrective action plan on page 32.

### SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings related to federal awards which are required to be reported in accordance with CFR 200.516(a).

## SENIOR RESOURCE ASSOCIATION, INC.

### **Schedule of Findings and Questioned Costs**

For the Year Ended June 30, 2021

#### **SECTION IV – STATE PROJECT FINDINGS AND QUESTIONED COSTS**

There were no findings related to state projects which are required to be reported in accordance with Chapter 10.650, *Rules of the Auditor General*.

#### **SECTION V – SUMMARY OF PRIOR AUDIT FINDINGS RELATED TO STATE PROJECTS**

There were no prior year audit findings related to state projects which are required to be reported in accordance with Chapter 10.650, *Rules of the Auditor General*.

#### **SECTION VI – MANAGEMENT LETTER RELATING TO STATE PROJECTS**

There were no matters related to state projects which are required to be reported in a management letter.

## SENIOR RESOURCE ASSOCIATION, INC.

### Summary Schedule of Prior Federal Award Audit Findings

For the Year Ended June 30, 2020

None noted.

■ ■ ■ ■ ■



Senior Resource  
ASSOCIATION

*Promoting Independence in our Community*

Dear Sir/Madam:

Please accept this letter regarding our corrective action plan for the issue identified during our audit for the FY 2020-2021.

**Audit Finding 2021-001**

**Condition** – A material adjustment was identified and proposed as a result of the newly adopted ASU 2018-08 and the management’s reliance on the assistance from external auditors. External auditors may not be considered as part of the association’s management or internal controls.

**Corrective Action** – Senior Resource Association accepts full responsibility for our internal controls and recognizes that while it is often standard practice to utilize auditors for these entries, external auditors cannot be part of the internal controls. As such, SRA will continue to invest in staff training and use consultants as necessary to fortify our internal controls. As noted, we have posted all correcting journal entries. As good stewards of public funding, we will continue to evaluate the cost benefit analysis of our internal control policy to provide the best possible outcomes for our clients, our donors, and our community.

If you have any questions concerning these matters, please contact me at [kdeigl@sramail.org](mailto:kdeigl@sramail.org) or 772.569.0760.

Sincerely,

Karen B. Rose Deigl  
President & CEO