

SENIORS FIRST, INC. AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION

Years Ended December 31, 2021 and 2020

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Seniors First, Inc. and Affiliate
Orlando, Florida

Opinion

We have audited the accompanying consolidated financial statements of Seniors First, Inc. and Affiliate (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

To the Board of Directors
Seniors First, Inc. and Affiliate

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

To the Board of Directors
Seniors First, Inc. and Affiliate

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards and accompanying schedule of expenditures of state financial assistance for the year ended December 31, 2021, appearing on pages 20 and 21, respectively, are presented for the purpose of additional analysis or to meet the requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and Chapter 10.650, *Rules of the Auditor General*, and are not a required part of the consolidated financial statements. The accompanying supplemental schedule of functional expenses by service for the year ended December 31, 2021, appearing on pages 22 and 23, is also presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2022, on our consideration of the Organization’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 Organization’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization’s internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
May 26, 2022

SENIORS FIRST, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2021 and 2020

ASSETS

	2021	2020
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,177,453	\$ 2,937,942
Grants and contributions receivable	1,296,245	1,742,189
Certificates of deposit	550,620	550,347
Prepays and other assets	169,139	203,518
TOTAL CURRENT ASSETS	5,193,457	5,433,996
PROPERTY AND EQUIPMENT, net	1,149,432	1,199,275
INVESTMENTS AND OTHER ASSETS		
Contingency reserve fund	274,500	253,934
Funded depreciation account	174,503	140,791
Beneficial interest in assets held by Central Florida Foundation	2,350,777	2,134,432
Deposits	3,250	3,250
TOTAL INVESTMENTS AND OTHER ASSETS	2,803,030	2,532,407
TOTAL ASSETS	\$ 9,145,919	\$ 9,165,678

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 531,069	\$ 535,621
Accrued payroll and related expenses	110,009	87,991
Deferred grant and contribution advances	272,387	448,928
Paycheck Protection Program (PPP) loan	-	777,827
TOTAL CURRENT LIABILITIES	913,465	1,850,367
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Without donor restrictions	7,952,842	7,069,411
With donor restrictions	279,612	245,900
TOTAL NET ASSETS	8,232,454	7,315,311
TOTAL LIABILITIES AND NET ASSETS	\$ 9,145,919	\$ 9,165,678

The accompanying notes are an integral part of the consolidated financial statements.

SENIORS FIRST, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES
AND CHANGES IN NET ASSETS

Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Government grants and contributions	\$ 9,822,632	\$ -	\$ 9,822,632
Other grants and contributions	935,791	-	935,791
Donated assets and services	299,804	-	299,804
Program service fees (net of cost of goods sold of \$250,583)	223,121	-	223,121
Other income	9,636	-	9,636
TOTAL SUPPORT AND REVENUE	11,290,984	-	11,290,984
PROGRAM AND SUPPORT SERVICES EXPENSES			
Program Services			
In-home services	4,332,218	-	4,332,218
Nutrition services	3,171,852	-	3,171,852
Other	1,986,760	-	1,986,760
Support Services			
Management and general	1,481,488	-	1,481,488
Fundraising and development	366,788	-	366,788
TOTAL PROGRAM AND SUPPORT SERVICES EXPENSES	11,339,106	-	11,339,106
OPERATING LOSS	(48,122)	-	(48,122)
GAIN ON FORGIVENESS OF PPP LOAN	777,827	-	777,827
CHANGE IN BENEFICIAL INTEREST IN ASSETS HELD BY CENTRAL FLORIDA FOUNDATION			
	187,438	-	187,438
CHANGE IN NET ASSETS	917,143	-	917,143
TRANSFER OF NET ASSETS	(33,712)	33,712	-
NET ASSETS - BEGINNING OF YEAR	7,069,411	245,900	7,315,311
NET ASSETS - END OF YEAR	\$ 7,952,842	\$ 279,612	\$ 8,232,454

The accompanying notes are an integral part of the consolidated financial statements.

SENIORS FIRST, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES
AND CHANGES IN NET ASSETS (Continued)

Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Government grants and contributions	\$ 10,170,228	\$ -	\$ 10,170,228
Other grants and contributions	1,160,905	-	1,160,905
Donated assets and services	529,379	-	529,379
Program service fees (net of cost of goods sold of \$360,194)	114,856	-	114,856
Other income	18,466	-	18,466
TOTAL SUPPORT AND REVENUE	11,993,834	-	11,993,834
PROGRAM AND SUPPORT SERVICES EXPENSES			
Program Services			
In-home services	4,709,138	-	4,709,138
Nutrition services	2,928,865	-	2,928,865
Other	1,872,870	-	1,872,870
Support Services			
Management and general	1,408,510	-	1,408,510
Fundraising and development	276,559	-	276,559
TOTAL PROGRAM AND SUPPORT SERVICES EXPENSES	11,195,942	-	11,195,942
OPERATING INCOME	797,892	-	797,892
CHANGE IN BENEFICIAL INTEREST IN ASSETS HELD BY CENTRAL FLORIDA FOUNDATION			
	191,705	-	191,705
CHANGE IN NET ASSETS	989,597	-	989,597
TRANSFER OF NET ASSETS	(29,083)	29,083	-
NET ASSETS - BEGINNING OF YEAR	6,108,897	216,817	6,325,714
NET ASSETS - END OF YEAR	\$ 7,069,411	\$ 245,900	\$ 7,315,311

The accompanying notes are an integral part of the consolidated financial statements.

SENIORS FIRST, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 917,143	\$ 989,597
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	140,808	124,946
Gain on forgiveness of PPP loan	(777,827)	-
Change in beneficial interest in assets held by Central Florida Foundation	(218,037)	(191,705)
Changes in:		
Grants and contributions receivable	445,944	(546,142)
Prepays and other assets	34,379	(81,152)
Accounts payable	(4,552)	82,797
Accrued payroll and related expenses	22,018	(100,338)
Deferred grant and contribution advances	(176,541)	156,261
NET CASH PROVIDED BY OPERATING ACTIVITIES	383,335	434,264
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(90,965)	(88,870)
Redemptions of certificates of deposit	550,347	542,236
Net purchases of certificates of deposit and other investments	(604,898)	(579,353)
Contributions from Central Florida Foundation, net	1,692	1,658
NET CASH USED IN INVESTING ACTIVITIES	(143,824)	(124,329)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from PPP loan	-	777,827
NET INCREASE IN CASH AND CASH EQUIVALENTS	239,511	1,087,762
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,937,942	1,850,180
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 3,177,453	\$ 2,937,942

The accompanying notes are an integral part of the consolidated financial statements.

SENIORS FIRST, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2021

	Program Services			Support Services		Total Expenses
	In-Home Services	Nutrition Services	Other	Management and General	Fundraising and Development	
Salaries and Related Expenses	\$ 1,306,396	\$ 675,741	\$ 869,073	\$ 1,021,807	\$ 206,278	\$ 4,079,295
Contracted Services	2,881,387	111,921	29,062	-	-	3,022,370
Travel	47,619	25,672	10,564	6,378	772	91,005
Occupancy	18,270	7,815	43,060	27,159	1,225	97,529
Communications and Postage	8,413	4,916	15,636	24,030	1,813	54,808
Printing and Supplies	397	-	69	54,909	42,720	98,095
Equipment and Vehicles	-	-	95,385	4,220	-	99,605
Meals	-	1,845,029	-	-	-	1,845,029
Insurance	-	-	84,366	87,485	-	171,851
Professional Fees	-	33,436	154,749	135,749	66,397	390,331
Program Supplies	14,685	360,261	727,916	38	26,124	1,129,024
Depreciation	-	-	64,530	76,278	-	140,808
Other	51	1,536	15,158	43,435	21,459	81,639
Donated Assets and Services	55,000	150,300	83,000	-	-	288,300
TOTAL EXPENSES	4,332,218	3,216,627	2,192,568	1,481,488	366,788	11,589,689
Less: Cost of goods sold	-	(44,775)	(205,808)	-	-	(250,583)
TOTAL EXPENSES EXCLUDING COST OF GOODS SOLD	\$ 4,332,218	\$ 3,171,852	\$ 1,986,760	\$ 1,481,488	\$ 366,788	\$ 11,339,106

The accompanying notes are an integral part of the consolidated financial statements.

SENIORS FIRST, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES *(Continued)*

Year Ended December 31, 2020

	Program Services			Support Services		Total Expenses
	In-Home Services	Nutrition Services	Other	Management and General	Fundraising and Development	
Salaries and Related Expenses	\$ 1,428,906	\$ 653,514	\$ 714,424	\$ 1,007,719	\$ 187,689	\$ 3,992,252
Contracted Services	2,922,297	-	120,178	-	-	3,042,475
Travel	55,124	21,854	4,151	5,244	1,712	88,085
Occupancy	16,296	6,697	39,949	28,158	1,092	92,192
Communications and Postage	9,340	5,844	17,597	21,901	1,292	55,974
Printing and Supplies	2,726	-	7,956	69,381	19,571	99,634
Equipment and Vehicles	-	-	81,480	1,860	-	83,340
Meals	-	2,124,318	-	-	-	2,124,318
Insurance	-	-	63,583	77,104	-	140,687
Professional Fees	-	2,612	15,769	110,618	18,624	147,623
Program Supplies	7,925	137,367	910,221	82	21,205	1,076,800
Depreciation	-	-	61,474	63,472	-	124,946
Other	-	730	5,761	22,971	25,374	54,836
Donated Assets and Services	266,524	99,450	67,000	-	-	432,974
TOTAL EXPENSES	4,709,138	3,052,386	2,109,543	1,408,510	276,559	11,556,136
Less: Cost of goods sold	-	(123,521)	(236,673)	-	-	(360,194)
TOTAL EXPENSES EXCLUDING COST OF GOODS SOLD	\$ 4,709,138	\$ 2,928,865	\$ 1,872,870	\$ 1,408,510	\$ 276,559	\$ 11,195,942

The accompanying notes are an integral part of the consolidated financial statements.

SENIORS FIRST, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Seniors First, Inc. (“Seniors First”) is a not-for-profit organization with a mission to enhance the quality of life of Central Florida seniors by maintaining their independence and dignity. Founded in 1966, Seniors First offers a vital support system to vulnerable, older adults aged 60 and up to help them meet their daily living needs at home. To promote independent living, Seniors First provides the following critical programs and services; Meals on Wheels, Neighborhood Lunch with transportation, in-home care through a case managed package of services including personal care, homemaker, companionship and respite for caregivers, guardianship, Stepping Stone Medical Equipment Bank and a community food pantry. Seniors First receives funding from various sources, principally federal, state, and local grants. Seniors First also receives support from the United Way, foundations, businesses, and the general public.

In 1998, Seniors First created and incorporated Seniors First Foundation, Inc. (the “Foundation”) to attract and administer funds for the benefit of Seniors First. The Foundation and Seniors First have common board members and management and, as such, the Foundation is considered an affiliate of Seniors First.

These consolidated financial statements include the accounts of Seniors First and the Foundation (collectively, the “Organization”). All significant intercompany transactions have been eliminated in the consolidation.

The following is a summary of the Organization’s significant accounting policies followed in the presentation of these consolidated financial statements.

Cash and Cash Equivalents

The Organization considers all highly liquid financial instruments with a maturity of three months or less at date of purchase to be cash and cash equivalents, except for cash and cash equivalents held in the contingency reserve fund and funded depreciation account. The Organization does not include cash and cash equivalents in these accounts as restricted cash when preparing its consolidated statements of cash flows.

Property and Equipment

Property and equipment, with an acquisition value of \$1,000 or more, are recorded at cost, if purchased, or at estimated fair market value if donated. Depreciation and amortization is provided using the straight-line method over the estimated useful lives of the individual assets.

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment (Continued)

The estimated lives of significant property and equipment categories are as follows:

Furniture and equipment	3 - 20 Years
Building and improvements	5 - 40 Years
Vehicles	5 - 10 Years

Net Assets

Net assets and changes in net assets are presented based on the existence or absence of donor-imposed restrictions. In these consolidated financial statements, net assets are reported as follows:

Net Assets Without Donor Restrictions: Net assets not subject to donor-imposed restrictions. At December 31, 2021 and 2020, net assets without donor restrictions included approximately \$2,625,000 and \$2,388,000, respectively, of funds designated by the Board of Directors for the contingency reserve fund and funds held at Central Florida Foundation (see Note 5).

Net Assets with Donor Restrictions: Net assets subject to donor-imposed stipulations that either require assets to be maintained permanently or that can be fulfilled by actions of the Organization and/or the passage of time. Net assets with donor restrictions consist of the following as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash reserve for vehicle replacement	\$ 174,503	\$ 140,791
Permanent endowment	<u>105,109</u>	<u>105,109</u>
	<u>\$ 279,612</u>	<u>\$ 245,900</u>

The cash reserve for vehicle replacement, reflected on the consolidated statements of financial position as the funded depreciation account, is used to purchase replacement vehicles and is replenished from unrestricted cash based upon the scheduled depreciation of vehicles included in the replacement program. During the years ended December 31, 2021 and 2020, approximately \$34,000 and \$29,000, respectively, was added to the cash reserve balance and is reflected on the consolidated statements of activities and changes in net assets as transfers of net assets. No funds were withdrawn from the reserve for the purchase of vehicles during 2021 and 2020.

The permanent endowment at December 31, 2021 and 2020, represents the original contribution of \$105,109 for the Alan Litz Endowment. Income generated from the investment of the endowment may be used without restriction by the Organization, whereas, the original principal balance is to remain intact.

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Support received from governmental and private sources are recorded as grant and contribution revenue, based upon the terms of the grant agreement or contribution, which generally requires a condition to be met or certain activities performed for the funds to be earned and any unearned funds to be returned. Funds received in advance of the condition being met or activities performed are recorded as deferred grant and contribution advances.

Gifts of cash and other assets received with donor stipulations that limit the use of the donated assets are reported as a donor-restricted contribution. When a restriction ends, or the purpose of the restriction is accomplished, donor-restricted net assets are reclassified to net assets without donor restrictions and are reported as net assets released from restriction. Donor-restricted contributions whose restrictions are met within the same reporting period are reported as contributions without donor restrictions in that period.

Program service fees consist of equipment sales, class fees, and client co-pays for meals and services under grant awards, and are reported at the estimated amounts to be collected at the time of sale or when the service is rendered, net of cost of goods sold or distributed. The performance obligation is generally recognized with the sale or delivery of service.

Donated Assets and Services

During the years ended December 31, 2021 and 2020, the Organization received donated equipment and food pantry inventory totaling approximately \$12,000 and \$96,000, respectively. The Organization also receives certain services for its guardianship program and utilizes space that is provided at no charge for its nutrition and Polk County programs. Based on management's estimate, the fair value of these services and use of facilities approximated \$288,000 and \$433,000 for the years ended December 31, 2021 and 2020, respectively, and is reflected in the consolidated financial statements as both revenue and expenses.

A significant number of unpaid volunteers donate their services in support of all program areas of the Organization. Services include delivery of meals, group activities at congregate dining sites, administrative office support, special event planning committee, and holiday gift and donation drives. No amounts have been reflected in these consolidated financial statements for these donated services.

Income Taxes

Seniors First and the Foundation are not-for-profit corporations organized under the laws of the state of Florida and have been granted recognition of their tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income earned in furtherance of their tax-exempt purposes is exempt from federal and state income taxes and, as a result, these consolidated financial statements include no provision or liability for income taxes.

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of functional expenses. Accordingly, certain costs are directly attributed to the specific program or supporting service, and other costs have been allocated based upon relationships of units provided, relative time spent by employees of the Organization, and other criteria.

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 the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The carrying values of the Organization's financial instruments approximate their fair value.

Subsequent Events

In preparing the consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 26, 2022, the date the consolidated financial statements were available to be issued.

NOTE 2 - GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable are expected to be collected within a year and consist of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Receivable from state and local sources	\$ 892,884	\$ 880,607
Receivable from federal sources	363,897	834,496
Other receivables	<u>39,464</u>	<u>27,086</u>
Grants and contributions receivable	<u>\$ 1,296,245</u>	<u>\$ 1,742,189</u>

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments consist of certificates of deposit, money market funds, and beneficial interest in assets held by the Central Florida Foundation (“CFF”). The contingency reserve fund and funded depreciation account were comprised of money market funds at December 31, 2021 and 2020.

The fair value of financial instruments is presented based upon a hierarchy of levels that prioritizes the inputs of valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Quoted market prices were used to value the Organization’s Level 1 assets and principally consist of money market funds. The Organization’s Level 2 financial instruments consist of certificates of deposit held in FDIC-insured banks, and their value is based on observable interest rates. The Organization’s Level 3 financial instruments consist of beneficial interests in assets held by CFF, the fair values of which are based on the net asset values of the related funds. The cost of investments approximated their fair value at December 31, 2021 and 2020.

The following tables set forth by level, within the fair value hierarchy, the Organization’s investments measured at fair value as of December 31, 2021 and 2020:

	Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
December 31, 2021				
Money market funds	\$ 449,003	\$ -	\$ -	\$ 449,003
Certificates of deposit	-	550,620	-	550,620
Beneficial interest in assets held by CFF	-	-	2,350,777	2,350,777
Total	\$ 449,003	\$ 550,620	\$ 2,350,777	\$ 3,350,400

	Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
December 31, 2020				
Money market funds	\$ 394,725	\$ -	\$ -	\$ 394,725
Certificates of deposit	-	550,347	-	550,347
Beneficial interest in assets held by CFF	-	-	2,134,432	2,134,432
Total	\$ 394,725	\$ 550,347	\$ 2,134,432	\$ 3,079,504

NOTE 4 - LIQUIDITY AND CASH NEEDS

The table below represents financial assets available to meet cash needs for general expenditures within one year at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 3,177,453	\$ 2,937,942
Grants and contributions receivable	1,296,245	1,742,189
Certificates of deposit	550,620	550,347
Contingency reserve fund	274,500	253,934
	<u>\$ 5,298,818</u>	<u>\$ 5,484,412</u>

As part of a cash and liquidity management policy, the Organization structures its financial assets to be available as its general expenditures and liabilities become due. Additionally, excess cash is invested in various investment instruments to increase earnings. The certificates of deposit mature within the year and can be converted into cash to manage any unanticipated liquidity needs. The contingency reserve fund may be drawn upon for general expenditures with board approval.

NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD BY CFF

The Organization has transferred funds to CFF to establish five board-designated endowment funds, which are considered component funds of CFF. These endowments are invested and distributed by CFF in accordance with their investment and spending policies. These policies attempt to provide a relatively steady level of funding to programs supported by the endowments, while seeking to preserve and enhance the purchasing power of the endowment assets. The terms of the fund agreements with CFF provide, among other things, that distributions are subject to CFF's policies.

According to the terms of the agreement with CFF, under certain circumstances, the CFF Board of Directors shall have the power to modify or eliminate any restriction, limitation, or condition on the distribution of funds, including their use for any specified purposes or their distribution to specific organizations, if the CFF Board of Directors determines that such restriction, limitation or condition becomes by material and significant change in circumstances in effect unnecessary, incapable of fulfillment, or inconsistent with the proper charitable, religious, scientific, literary, cultural or educational uses and purposes of the Central Florida area.

NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD BY CFF (Continued)

The following table sets forth a summary of changes in fair value of the funds for the years ended December 31, 2021 and 2020:

	<u>Seniors Fund</u>	<u>Seniors First, Inc. Fund</u>	<u>Seniors First Foundation</u>	<u>Seniors First In- Home Services Fund</u>	<u>Judith Thames Meals on Wheels Fund</u>	<u>Total</u>
Fair value at December 31, 2019	\$10,780	\$ 48,307	\$ 1,053,801	\$ 394,015	\$ 437,482	\$ 1,944,385
Interest and dividends	201	871	19,860	7,421	8,245	36,598
Realized and unrealized gains, net	1,253	5,313	104,500	38,988	43,381	193,435
CFF fees	(86)	(601)	(20,713)	(8,317)	(8,611)	(38,328)
Contributions (distributions)	-	(1,658)	-	-	-	(1,658)
Fair value at December 31, 2020	12,148	52,232	1,157,448	432,107	480,497	2,134,432
Interest and dividends	236	979	21,496	8,018	8,924	39,653
Realized and unrealized gains, net	1,629	6,767	103,382	38,582	42,917	193,277
CFF fees	(119)	(768)	(24,501)	(9,932)	(10,171)	(45,491)
Contributions (distributions)	-	(1,692)	30,598	-	-	28,906
Fair value at December 31, 2021	<u>\$13,894</u>	<u>\$ 57,518</u>	<u>\$ 1,288,423</u>	<u>\$ 468,775</u>	<u>\$ 522,167</u>	<u>\$ 2,350,777</u>

NOTE 6 - PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consists of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Land	\$ 282,412	\$ 268,633
Building and improvements	1,265,378	1,191,692
Furniture and equipment	218,566	235,498
Vehicles	1,100,354	1,100,354
	<u>2,866,710</u>	<u>2,796,177</u>
Less accumulated depreciation	<u>(1,717,278)</u>	<u>(1,596,902)</u>
Property and equipment, net	<u>\$ 1,149,432</u>	<u>\$ 1,199,275</u>

Certain vehicles were acquired with funds received under grants from the Florida Department of Transportation (“FDOT”). Under the terms of the grants, FDOT records and maintains a lien on the bus titles until they have reached their useful lives. When the useful life requirement is met, FDOT will fund replacement buses or transfer title to the Organization. The Organization retains the use of these vehicles as long as they are used to carry out the service for which the original grant was provided. The Organization expects to continue using the vehicles for their designated purpose and to retain the right to the continued use of these assets in the future. The vehicles acquired under these FDOT grants have a net book value of approximately \$98,000 and \$143,000 at December 31, 2021 and 2020, respectively.

Depreciation expense was approximately \$141,000 and \$125,000 for the years ended December 31, 2021 and 2020, respectively.

NOTE 7 - DEFERRED GRANT AND CONTRIBUTION ADVANCES

The Organization had conditional programmatic grant revenue and contributions remaining to be earned or refunded in subsequent years of approximately \$272,000 and \$449,000 at December 31, 2021 and 2020, respectively.

NOTE 8 - PAYCHECK PROTECTION PROGRAM LOAN

In April 2020, the Organization applied for and received loan proceeds in the amount of approximately \$778,000 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security (“CARES”) Act, provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest are forgivable if the Organization uses the proceeds for eligible purposes.

The Organization used the proceeds for eligible purposes and obtained forgiveness of the entire loan balance in February 2021. A gain on forgiveness of the PPP loan was recognized for the entire loan balance in 2021.

NOTE 9 - CONTRACT MATCHING REQUIREMENTS

The Title III Older Americans Act and Community Care for the Elderly programs require the Organization to provide matching cash or in-kind contributions. For the years ended December 31, 2021 and 2020, the total expenditures of these programs and related match requirement are as follows:

<u>Program Title</u>	<u>CFDA#/ CSFA#</u>	<u>2021</u>	<u>2020</u>
Title III-B, Supportive Services	93.044	\$ 393,706	\$ 1,073,532
Title III-C1, Congregate Nutrition Services	93.045	755,356	917,018
Title III-C2, Home Delivered Nutrition Services	93.045	846,724	883,407
Community Care for the Elderly	65.010	<u>4,693,240</u>	<u>4,581,058</u>
Total expenditures		<u>\$ 6,689,026</u>	<u>\$ 7,455,015</u>
Calculated match requirement		<u>\$ 743,225</u>	<u>\$ 828,335</u>

During the years ended December 31, 2021 and 2020, the Organization had matching amounts of approximately \$1,014,000 and \$895,000 consisting of contributed funds of approximately \$538,000 and \$529,000 and in-kind contribution matching of approximately \$476,000 and \$366,000, respectively.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Employee Benefit Plan

The Organization has established a defined-contribution pension plan covering all eligible employees. Employer contributions are determined on a discretionary basis ranging up to 3% of each eligible employee's salary. Contributions to the plan totaled approximately \$75,000 and \$74,000 for the years ended December 31, 2021 and 2020, respectively.

Lease Commitments

The Organization leases certain office space, vehicles and office equipment. Rental expense under the leases was approximately \$77,000 and \$81,000 for the years ended December 31, 2021 and 2020, respectively. The lease terms expire in various periods through March 2023, with future minimum lease payments as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 42,000
2023	5,000
	<u>\$ 47,000</u>

Credit Risk and Economic Dependence

Financial instruments which potentially subject the Organization to concentrations of credit risk principally consist of cash and cash equivalents, certificates of deposit, and beneficial interest in assets held by CFF. The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. Management believes that the concentration of credit risk relating to contributions and grants receivable is limited due to the nature of the receivables and the quality of the intermediaries.

The Organization performs its program services with funds received from federal, state, and local sources. A significant reduction in the level of this funding, if this were to occur, could have a negative effect on the Organization's programs and activities. Grants from federal, state, and local governmental sources represented approximately 90% and 84% of the Organization's revenues for the years ended December 31, 2021 and 2020, respectively.

Governmental funding is subject to statutory and regulatory changes, administrative rulings, interpretations of policy, intermediary determinations, and governmental funding restrictions, all of which may materially affect program reimbursement to recipient agencies. Changes in the reimbursement policies of the Nutrition and Supportive Services programs or the Community Care for the Elderly programs, as a result of legislative and regulatory actions, could adversely affect the revenues of the Organization.

NOTE 10 - COMMITMENTS AND CONTINGENCIES (Continued)

COVID-19 Pandemic

In 2019, a new coronavirus (“COVID-19”) was identified as the cause of a disease outbreak. Based on operating results since the start of the pandemic, the Organization’s management does not anticipate that COVID-19 will have a material adverse effect on the Organization’s business, results of operations, financial condition and cash flows.

SUPPLEMENTAL INFORMATION

SENIORS FIRST, INC. AND AFFILIATE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2021

<u>Federal Grantor / Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract / Grant Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services/ Florida Department of Elder Affairs/ Area Agency on Aging of Central Florida:			
<u>Aging Cluster:</u>			
Title III-B, Support Services	93.044	SR1-OAA-21	\$ 393,706
Title III-C1, Congregate Nutrition Services	93.045	SR1-OAA-21	755,356
Title III-C2, Home Delivered Nutrition Services	93.045	SR1-OAA-21	846,724
Nutrition Services Incentive Program	93.053	SR1-NSIP-21	<u>207,307</u>
Total Aging Cluster			<u>2,203,093</u>
Total U.S. Department of Health and Human Services			2,203,093
U.S. Department of Housing and Urban Development:			
Passed through Orange County			
Community Development Block Grants (MEALS)	14.218		137,167
Community Development Block Grants (CARES)	14.218		136,257
Passed through Seminole County			
Community Development Block Grants (In Home Services)	14.218		<u>45,027</u>
Total U.S. Department of Housing and Urban Development			<u>318,451</u>
U.S. Department of Transportation:			
Passed through Central Florida Regional Transportation Authority			
Enhanced Mobility of Seniors and Individuals with Disabilities Grants	20.513		1,603
Federal Emergency Management Agency:			
Passed through Heart of Florida United Way			
Emergency Food and Shelter National Board Program	97.024		<u>116,957</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 2,640,104</u></u>

NOTE 1 - BASIS OF PRESENTATION

The schedule of expenditures of federal awards ("Schedule") includes the federal grant activity of Seniors First, Inc. 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"). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

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, as applicable, either the cost principles in the Office of Management and Budget Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

Senior's First, Inc. has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

See Independent Auditor's Report.

SENIORS FIRST, INC. AND AFFILIATE

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

Year Ended December 31, 2021

<u>State Grantor / Pass-Through Grantor Program Title</u>	<u>State CSFA Number</u>	<u>Contract / Grant Number</u>	<u>State Expenditures</u>
Florida Department of Elder Affairs			
Passed through Area Agency on Aging of Central Florida:			
Orange County Community Care for the Elderly	65.010	SR1o-CCE-20/21 YR 2 SR1o-CCE-21/22 YR 1	\$ 1,027,130 1,113,156
Seminole County Community Care for the Elderly	65.010	SR1o-CCE-20/21 YR 2 SR1o-CCE-21/22 YR 1	355,493 421,314
Orange County Home Care for the Elderly	65.001	SR1o-HCE-20/21 YR2 SR1o-HCE-21/22 YR1	126,425 143,946
Seminole County Home Care for the Elderly	65.001	SR1s-HCE-20/21 YR2 SR1s-HCE-21/22 YR1	33,672 37,180
Passed through Senior Connection Center:			
Polk County Community Care for the Elderly	65.010	CCE-20/21-SFI YR 2 CCE-21/22-SFI YR 1	869,393 906,754
Polk County Home Care for the Elderly	65.001	HCE-20/21-SFI YR 2 HCE-21/22-SFI YR 1	94,026 75,264
Polk County Alzheimer's Disease Initiative	65.004	ADI-20/21-SFI YR 2 ADI-21/22-SFI YR 1	337,759 325,112
Passed through Orange County:			
Public Guardianship	65.003	X9258	<u>495,090</u>
Total Florida Department of Elder Affairs			<u>6,361,714</u>
TOTAL STATE FINANCIAL EXPENDITURES			<u><u>\$ 6,361,714</u></u>

NOTE 1 - BASIS OF PRESENTATION

The schedule of expenditures of state financial assistance ("Schedule") includes the state grant activity of Seniors First, Inc. and is presented using the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

See Independent Auditor's Report.

SENIORS FIRST, INC. AND AFFILIATE

SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES BY SERVICE

Year Ended December 31, 2021

	Program Services								
	In-Home Services						Nutrition Services		
	Homemaker	Polk County	Case Managers	Personal Care	Respite Companion	Social Work	Home-Delivered Meals	Congregate Meals	Nutrition Education & Other
Salaries and Related Expenses	\$ 287,809	\$ 235,516	\$ 405,072	\$ 195,320	\$ 93,073	\$ 89,606	\$ 403,638	\$ 246,263	\$ 25,840
Contracted Services	292,442	1,520,703	-	329,256	738,986	-	-	-	111,921
Travel	12,536	4,666	4,435	16,025	9,667	290	20,169	2,654	2,849
Occupancy	1,332	-	15,606	1,332	-	-	2,910	2,203	2,702
Communications and Postage	857	491	3,908	857	819	1,481	1,839	2,258	819
Printing and Supplies	-	-	-	-	-	397	-	-	-
Equipment and Vehicles	-	-	-	-	-	-	-	-	-
Meals	-	-	-	-	-	-	1,459,015	267,189	118,825
Insurance	-	-	-	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-	2,833	2,833	27,770
Program Supplies	5,611	21	555	5,871	2,225	402	2,944	5,924	351,393
Depreciation	-	-	-	-	-	-	-	-	-
Other	51	-	-	-	-	-	763	762	11
Donated Services and Rent	-	55,000	-	-	-	-	30,000	120,300	-
Total Expenses Before Allocation of Management and General Expenses	600,638	1,816,397	429,576	548,661	844,770	92,176	1,924,111	650,386	642,130
Allocation of Management and General Expenses	90,269	272,984	64,560	82,457	126,959	13,853	289,172	97,746	89,776
Total Expenses	<u>\$ 690,907</u>	<u>\$ 2,089,381</u>	<u>\$ 494,136</u>	<u>\$ 631,118</u>	<u>\$ 971,729</u>	<u>\$ 106,029</u>	<u>\$ 2,213,283</u>	<u>\$ 748,132</u>	<u>\$ 731,906</u>
Total Units of Service (Unaudited)	25,907	74,463	10,480	24,197	39,732	3,711	310,979	42,195	6,045

(Continued)

See Independent Auditor's Report.

SENIORS FIRST, INC. AND AFFILIATE

SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES BY SERVICE (Continued)

Year Ended December 31, 2021

	Program Services					Support Services			Total Expenses
	Other Services					Total Program Costs	Fundraising and Development	Management and General	
	Legal Assistance and Guardianship	Transportation	Non-DOEA Related Services	Polk County	Other Services				
Salaries and Related Expenses	\$ 414,407	\$ 340,954	\$ 113,712	\$ -	\$ -	\$ 2,851,210	\$ 206,278	\$ 1,021,807	\$ 4,079,295
Contracted Services	1,929	-	-	27,133	-	3,022,370	-	-	3,022,370
Travel	10,561	2	1	-	-	83,855	772	6,378	91,005
Occupancy	2,199	969	39,892	-	-	69,145	1,225	27,159	97,529
Communications and Postage	9,807	3,706	2,123	-	-	28,965	1,813	24,030	54,808
Printing and Supplies	69	-	-	-	-	466	42,720	54,909	98,095
Equipment and Vehicles	-	93,787	1,598	-	-	95,385	-	4,220	99,605
Meals	-	-	-	-	-	1,845,029	-	-	1,845,029
Insurance	2,487	67,485	14,394	-	-	84,366	-	87,485	171,851
Professional Fees	154,749	-	-	-	-	188,185	66,397	135,749	390,331
Program Supplies	138,443	1,862	6,636	375,167	205,808	1,102,862	26,124	38	1,129,024
Depreciation	-	60,569	3,961	-	-	64,530	-	76,278	140,808
Other	14,840	238	46	34	-	16,745	21,459	43,435	81,639
Donated Services and Rent	83,000	-	-	-	-	288,300	-	-	288,300
Total Expenses Before Allocation of Management and General Expenses	832,491	569,572	182,363	402,334	205,808	9,741,413	366,788	1,481,488	11,589,689
Allocation of Management and General Expenses	125,114	85,600	27,407	60,466	-	1,426,363	55,125	(1,481,488)	-
Total Expenses	<u>\$ 957,605</u>	<u>\$ 655,172</u>	<u>\$ 209,770</u>	<u>\$ 462,800</u>	<u>\$ 205,808</u>	<u>\$ 11,167,776</u>	<u>\$ 421,913</u>	<u>\$ -</u>	<u>\$ 11,589,689</u>
Total Units of Service (Unaudited)	1,823	9,462	-	26,694	39,446				

(Concluded)

See Independent Auditor's Report.



Certified Public Accountants

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

To the Board of Directors
Seniors First, Inc. and Affiliate
Orlando, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Seniors First, Inc. and Affiliate (the “Organization”), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 26, 2022.

Report on Internal Control over Financial Reporting

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

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

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

To the Board of Directors
Seniors First, Inc. and Affiliate

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
May 26, 2022



Certified Public Accountants

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

To the Board of Directors
Seniors First, Inc. and Affiliate
Orlando, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Seniors First, Inc. and Affiliate’s (the “Organization”) compliance with the compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on each of the Organization’s major federal programs and state projects for the year ended December 31, 2021. The Organization’s major federal programs and state projects are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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*. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.560, *Rules of the Auditor General*, are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing 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 the Organization's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.560, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization'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 10.560, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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.

To the Board of Directors
Seniors First, Inc. and Affiliate

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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.560, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
May 26, 2022

SENIORS FIRST, INC. AND AFFILIATE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____	Yes <u> X </u>	No
Significant deficiency(ies) identified?	_____	Yes <u> X </u>	None Reported
Noncompliance material to financial statements noted?	_____	Yes <u> X </u>	No

Federal Awards and State Projects

Internal control over major federal programs and state projects:			
Material weakness(es) identified?	_____	Yes <u> X </u>	No
Significant deficiency(ies) identified?	_____	Yes <u> X </u>	None Reported
Type of auditor's report issued on compliance for major federal programs and state projects:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.650, <i>Rules of the Auditor General</i> ?	_____	Yes <u> X </u>	No

SENIORS FIRST, INC. AND AFFILIATE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Year Ended December 31, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS (Continued)

Federal Awards and State Projects (Continued)

Identification of major federal programs and major state projects:

Name of Federal Program or Cluster	CFDA Number
Aging Cluster:	
Title III, Part B - Support Services	93.044
Title III, Part C - Nutrition Services	93.045
Nutrition Services Incentive Program	93.053
Name of State Project	CSFA Number
Community Care for the Elderly	65.010
Dollar threshold used to distinguish between Type A and Type B programs for federal awards:	\$750,000
Dollar threshold used to distinguish between Type A and Type B programs for state projects:	\$750,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

SECTION II - FINANCIAL STATEMENT FINDINGS

No findings were reported.

SECTION III - FEDERAL AWARDS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS

No findings were reported.

SECTION IV - OTHER ISSUES

No management letter is required because there were no findings required to be reported in the management letter.

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings.