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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Area Council on Aging of
Broward County, Inc.
Sunrise, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Areawide Council on Aging of Broward County, Inc. (the "Council") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Council as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 financial statements.

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and State of Florida Chapter 10.650, *Rules of the Auditor General*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2023, on our consideration of the Council's internal control over financial reporting

Other Reporting Required by Government Auditing Standards (continued)

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 Council'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 Council's internal control over financial reporting and compliance.

Other Matters

Prior Period Adjustment

As discussed in Note P to the financial statements, the 2021 financial statements have been restated to correct a misstatement. We have audited the adjustment to restate the statements as described in Note P. In our opinion, the adjustment is appropriate and has been properly applied.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 21, 2023

AREAWIDE COUNCIL ON AGING OF BROWARD COUNTY, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2022

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 11,225,012
Certificates of deposit	548,922
Investments	4,738,088
Due from grantors, net	5,306,801
Accounts receivable	16,151
Pledges receivable	191,655
Prepaid expenses	27,416

Total current assets 22,054,045

Non-current assets

Property and equipment at cost, net	1,658,534
Contingent receivable	566,662
Deposits	1,941

Total other assets 2,227,137

Total assets \$ 24,281,182

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 321,608
Accrued compensation	456,393
Due to providers	3,092,712
Deferred revenue	335,551

Total current liabilities 4,206,264

NET ASSETS

Without donor restrictions	19,251,067
With donor restriction	823,851

Total net assets 20,074,918

Total liabilities and net assets \$ 24,281,182

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

AREAWIDE COUNCIL ON AGING OF BROWARD COUNTY, INC.

STATEMENT OF ACTIVITIES

Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Public support			
Local fair share contributions	\$ 1,583,306	\$ -	\$ 1,583,306
Contributions	157,670	-	157,670
Private grants	<u>4,423,250</u>	<u>-</u>	<u>4,423,250</u>
Total public support	<u>6,164,226</u>	<u>-</u>	<u>6,164,226</u>
Grants from governmental agencies			
Federal grants	13,053,502	-	13,053,502
State grants	10,553,548	-	10,553,548
Non-contributed financial assets - local match	<u>1,017,826</u>	<u>-</u>	<u>1,017,826</u>
Total grants from governmental agencies	<u>24,624,876</u>	<u>-</u>	<u>24,624,876</u>
Other revenue			
Interest income	27,255	-	27,255
Investment income	252,092	-	252,092
Net realized and unrealized loss on investment	(829,356)	-	(829,356)
Special events income	65,377	-	65,377
Non-contributed financial assets - building	42,514	-	42,514
Other	214,528	-	214,528
Net assets released from restrictions	<u>42,064</u>	<u>(42,064)</u>	<u>-</u>
Total other revenues	<u>(185,526)</u>	<u>(42,064)</u>	<u>(227,590)</u>
Total public support and revenues	<u>30,603,576</u>	<u>(42,064)</u>	<u>30,561,512</u>
EXPENSES			
Program services	29,484,824	-	29,484,824
Support services:			
Management and general	<u>654,080</u>	<u>-</u>	<u>654,080</u>
Total operating expenses	<u>30,138,904</u>	<u>-</u>	<u>30,138,904</u>
Change in net assets	<u>464,672</u>	<u>(42,064)</u>	<u>422,608</u>
Net assets, beginning of year as previously reported	19,636,395	290,667	19,927,062
Prior period adjustment	<u>(850,000)</u>	<u>575,248</u>	<u>(274,752)</u>
NET ASSETS, BEGINNING OF YEAR, AS RESTATED	<u>18,786,395</u>	<u>865,915</u>	<u>19,652,310</u>
NET ASSETS, END OF YEAR	<u>\$ 19,251,067</u>	<u>\$ 823,851</u>	<u>\$ 20,074,918</u>

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

AREAWIDE COUNCIL ON AGING OF BROWARD COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2022

	Program Services											Total Program Funds	Supporting Services Management & General	Total	
	Older Americans Act	CARES	Community Care for the Elderly	Home Care for the Elderly	Alzheimer's Disease Initiative	RELIEF	SHINE	ADRC & Medicaid Waiver	Local Service Programs	Other DOEA Programs	Non DOEA Programs				
Salaries and related expenses:															
Salaries	\$ 1,533,925	\$ 50,908	\$ 369,447	\$ 41,038	\$ 9,314	\$ -	\$ 92,275	\$ 329,276	\$ 25,584	\$ 361,784	\$ 489,778	\$ 3,303,329	\$ 176,500	\$ 3,479,829	
Payroll taxes	107,708	3,809	28,165	3,137	712	-	6,040	24,918	1,962	28,569	33,449	236,469	13,227	249,696	
Employee benefits	222,438	7,983	64,402	9,104	1,364	-	7,765	70,789	3,806	40,664	55,414	483,729	90,110	573,839	
Total salaries and related expenses	1,864,071	62,700	462,014	53,279	11,390	-	106,080	424,983	31,352	429,017	578,641	4,023,527	279,837	4,303,364	
Other expenses															
Program supplies	1,405,935	-	244,095	-	-	-	17	-	-	291,571	3,600,395	5,542,013	36,059	5,578,072	
Occupancy	42,554	-	6,944	780	-	-	1,041	4,466	509	2,174	1,680	60,148	959	61,107	
Utilities	11,025	-	4,307	279	-	-	574	2,361	264	1,300	1,845	21,955	632	22,587	
Miscellaneous	2,380	-	36	10	-	-	11	58	7	17	-	2,519	124,446	126,965	
Telephone	22,771	-	6,764	499	-	-	2,436	4,128	504	2,363	2,939	42,404	1,677	44,081	
Office supplies & printing	24,088	-	3,180	513	-	-	2,576	2,273	194	7,263	3,343	43,430	27,741	71,171	
Professional fees	54,306	-	5,230	497	-	-	853	2,741	336	10,893	23,035	97,891	44,482	142,373	
Travel	1,451	-	-	-	-	-	204	-	-	-	3,047	4,702	2,994	7,696	
Repairs & maintenance	34,985	-	478	34	-	-	73	319	39	153	185	36,266	1,011	37,277	
Insurance	43,169	-	580	61	-	-	85	331	42	207	332	44,807	93	44,900	
Dues & subscriptions	56,097	-	6,516	594	-	-	937	3,713	456	2,578	12,623	83,514	381	83,895	
Advertising	18,860	-	689	133	-	-	2,570	328	41	54,533	7,173	84,327	3,187	87,514	
Staff Training	11,388	-	307	27	-	-	802	8	18	111	1,738	14,399	84,641	99,040	
Events	2,960	-	4	-	-	-	40	2	-	1	1	3,008	42,203	45,211	
Total other expenses	1,731,969	-	279,130	3,427	-	-	12,219	20,728	2,410	373,164	3,658,336	6,081,383	370,506	6,451,889	
Depreciation expenses	54,414	-	17,373	1,869	-	-	-	10,037	1,262	18,022	2,804	105,781	2,803	108,584	
Subrecipients awarded	4,720,463	124,802	6,214,886	188,574	1,570,646	19,028	-	-	1,191,049	927,938	-	14,957,386	-	14,957,386	
Grants awarded	699,762	-	563,551	435,789	-	-	1,026	-	-	355,724	2,260,895	4,316,747	934	4,317,681	
Total expenses before allocation of management & general	9,070,679	187,502	7,536,954	682,938	1,582,036	19,028	119,325	455,748	1,226,073	2,103,865	6,500,676	29,484,824	654,080	30,138,904	
Allocation of management & general	180,718	5,102	159,531	14,455	33,882	392	2,813	10,073	26,229	43,497	177,388	654,080	(654,080)	-	
Total expenses after allocation	\$ 9,251,397	\$ 192,604	\$ 7,696,485	\$ 697,393	\$ 1,615,918	\$ 19,420	\$ 122,138	\$ 465,821	\$ 1,252,302	\$ 2,147,362	\$ 6,678,064	\$ 30,138,904	\$ -	\$ 30,138,904	

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

AREAWIDE COUNCIL ON AGING OF BROWARD COUNTY, INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Changes in net assets	\$ 422,608
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	108,584
Realized and unrealized loss on investments	829,356
Forgiveness of Paycheck Protection Program loan	(196,195)
Non cash rent	8,586
(Increase) decrease in:	
Due from grantors, net	3,525,944
Accounts receivable	(28,732)
Pledges receivable	39,392
Prepaid expenses	16,082
Increase (decrease) in:	
Accounts payable	123,375
Accrued compensation	(1,722)
Due to providers	(397,789)
Deferred revenue	<u>(35,555)</u>
Net cash provided by operating activities	<u>4,413,934</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments, including reinvestments	(252,092)
Net decrease in certificates of deposit	<u>(1,150)</u>
Net cash used in investing activities	<u>(253,242)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on Paycheck Protection Program loan	<u>(303,805)</u>
Net cash used in financing activities	<u>(303,805)</u>
Net increase in cash and cash equivalents	3,856,887
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>7,368,125</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 11,225,012</u>

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

AREAWIDE COUNCIL ON AGING OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A – NATURE OF ORGANIZATION

Areawide Council on Aging of Broward County, Inc. ("Council") is a not-for-profit Florida corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Council was organized to plan, coordinate, monitor and fund various groups, agencies, organizations, and programs relating to the welfare and well-being of the elderly in Broward County, Florida.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

Net assets of the Council are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions: Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets With Donor Restrictions: Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Council. Certain restrictions may need to be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restriction. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments or other assets or liabilities are reported as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Measure of Operations

The Statement of Activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Council's ongoing services. Nonoperating activities, if any, are limited to other activities considered to be more unusual or nonrecurring in nature.

AREAWIDE COUNCIL ON AGING OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the collectability of receivables, determination of the useful lives of property and equipment, and allocation of functional expenses.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit and money market funds with financial institutions. The Council considers all highly liquid assets with an initial maturity of three months or less as cash and cash equivalents.

Financial instruments that potentially subject the Council to concentrations of credit risk consist principally of cash. The Council maintains accounts in various banks. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, the balances in these accounts may be more than federally insured limits. However, the Council has not experienced and does not expect to incur any losses.

Certificates of Deposit

Certificates of deposit are recorded at cost plus accrued interest and held at two financial institutions with interest ranging from 0.10% to 1.65%.

Allowance for Doubtful Accounts

Due from grantors, accounts and pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through adjustments to valuation allowances based on its assessment of the current status of individual receivables. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance. At December 31, 2022, the allowance for doubtful accounts for due from grantors was \$39,449. No allowance for doubtful accounts for accounts receivable and pledges receivable is considered necessary at December 31, 2022.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the Statement of Activities. Those marketable securities and investments received as gifts or donations are recorded at their fair market value on the date received.

AREAWIDE COUNCIL ON AGING OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment are stated at cost, if purchased, or at estimated fair market value at the date of receipt, if acquired by gift. Management has a policy to capitalize individual items in excess of \$5,000. Depreciation is provided for amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, ranging from three to thirty-nine years, on a straight-line basis.

Long-lived assets held and used by the Council are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the event that facts and circumstances indicate that the cost of any long-lived assets may be impaired, an evaluation of recoverability would be performed.

Revenue Recognition

The Council follows Accounting Standard Update (ASU) 2014-09, *Revenue from Contracts with Customers* (ASC 606), which outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied, and ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASC 958), which clarifies how transactions should be accounted for as contributions (nonreciprocal transactions) or exchange transactions and whether a contribution is conditional.

Contributions and support received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Grants received by the Council are considered conditional contributions since the grant agreements require the Council to perform services, incur expenses or meet contract objectives to earn the grant funding. Advance payments received under these grants is deferred until earned. Revenue is earned and recognized in the financial statements when eligible expenses are incurred, services performed or grant objectives met.

Deferred revenue is comprised of amounts received from grantor agencies by the Organization prior to meeting the revenue recognition criteria. In subsequent periods, when the revenue recognition criteria have been met, the liability for deferred revenue is reduced and revenue is recognized.

AREAWIDE COUNCIL ON AGING OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-Contributed Financial Assets

Agencies and organizations, volunteers, businesses, the general community and others contribute substantial amounts of materials and services toward the fulfillment of the programs administered by the Council. Donated materials are recorded as support at their fair market value at the date of donation. Contributions of services are recorded as support at their estimated fair value if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The value of contributed services meeting the requirements for recognition in the financial statements is recorded as unrestricted support at the date of the donation. Donated services for the year ended December 31, 2022 was \$1,017,826. (See Note H for use of building donated)

A significant number of volunteers have donated substantial hours to the Council's programs and events during the year. These donated services are not reflected in the financial statements since the services do not require specialized skills.

Functional Expenses

The administrative costs of providing services to various programs and other activities have been summarized on a functional basis in the Statement of Activities. Certain costs have been allocated among the programs and supporting services benefited, in accordance with the guidelines established by the State of Florida Department of Elder Affairs. These guidelines provide that all management and general expenses be allocated to program services in their entirety.

Income Tax

The Council has been granted an exemption from income taxes under Internal Revenue Code Section 501(c)(3), as a non-profit corporation. As such, Areawide Council on Aging of Broward County, Inc. does not pay tax on its exempt function income.

Uncertain Tax Positions

The Council accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for all uncertain tax positions. The Council has identified its tax status as a tax-exempt entity as its only significant tax position; however, the Council has determined that such tax position does not result in an uncertainty requiring recognition. The Council is not currently under examination by any taxing jurisdiction. The Council's federal returns are generally open for examination for three years following the date filed.

AREAWIDE COUNCIL ON AGING OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising Costs

The Council expenses the costs of advertising as incurred. For the year ended December 31, 2022, advertising expense was \$87,514.

Fair Value Measurement

The financial statements are prepared in accordance with US GAAP standards, for all financial assets and liabilities and for nonfinancial assets and liabilities recognized or disclosed at fair value in the financial statements or on a recurring basis (at least annually). The standard defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on a measurement date. The standard also establishes a fair value hierarchy which requires an entity to maximize the use of unobservable inputs when measuring fair value. The standard describes three levels or inputs that may be used to measure fair value.

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

Acquisitions of Nonexpendable Property

Property acquired by grants is considered to be owned by Areawide Council on Aging of Broward County, Inc. while used in the program for which it was purchased or in other future authorized programs; however, the State of Florida and/or the United States of America has a reversionary interest in the property. Such property's disposition as well as the ownership of any proceeds therefrom is subject to state and/or federal regulations.

Accounting Pronouncements Implemented

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases* (ASC 842), that requires lessees to put most leases on their balance sheets and recognize expenses on their income statements in a manner similar to today's capital lease accounting. For lessors, the guidance modifies the classification criteria for accounting for sales-type and direct financing leases. The Council adopted ASC 842 effective January 1, 2022. The adoption had no significant impact on the Council's financial statements.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities* (ASC 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Non-Financial Assets*, which requires the monitoring and tracking of gifts in kind by asset category, while also noting any donor-imposed restrictions. The Council adopted ASC 958 effective January 1, 2022. The adoption had no significant impact on the Council's financial statements.

AREAWIDE COUNCIL ON AGING OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE C – AVAILABILITY AND LIQUIDITY

The following represents the Council's financial assets available for general expenditure at December 31 2022:

Cash and cash equivalents	\$ 11,225,012
Certificates of deposit	548,922
Investments	4,738,088
Due from grantors, net	5,306,801
Accounts receivable	16,151
Pledges receivable	191,655
Total financial assets available within one year	<u>22,026,629</u>
Less:	
Accounts payable	321,608
Accrued compensation	456,393
Due to providers	3,092,712
Deferred revenue	335,551
Total financial liabilities available within one year	<u>4,206,264</u>
Less those funds unavailable for general expenditures within one year due to restrictions by donors for purpose and time	<u>823,851</u>
Financial assets available to meet cash needs for general expenditures	<u><u>\$ 16,996,514</u></u>

The Council has a policy to manage its liquidity and reserves following three guiding principles: operating without a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

NOTE D – DUE FROM GRANTORS

Due from grantors as of December 31, 2022 are as follows:

Receivables due in less than one year	\$ 5,346,250
Less: allowance for doubtful accounts	(39,449)
	<u>\$ 5,306,801</u>

AREAWIDE COUNCIL ON AGING OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE E – INVESTMENTS

Investments are carried at fair market value and are as follows at December 31, 2022:

	<u>Cost</u>	<u>Unrealized Gain</u>	<u>Fair Value</u>
Unrestricted:			
<i>US Equity Funds</i>			
Map Fund A	\$ 463,967	\$ 239,918	\$ 703,885
Large Cap Growth Fund	280,899	75,281	356,180
Equity Yield Class A	256,279	290,592	546,871
S&P 500 Index Fund	325,597	117,123	442,720
<i>Taxable Bond Fund</i>			
High Yield Corporate Bond A	792,837	603,372	1,396,209
<i>Mixed Asset Funds</i>			
Balance Fund A	482,591	89,595	572,186
Convertible Fund A	515,419	204,618	720,037
	<u>\$ 3,117,589</u>	<u>\$ 1,620,499</u>	<u>\$ 4,738,088</u>

Investment income for the year ended December 31, 2022 consists of the following:

Interest income	\$ 27,255
Investment income	252,092
Net realized and unrealized loss on investments	<u>(829,356)</u>
	<u>\$ (550,009)</u>

NOTE F – PLEDGES RECEIVABLE

Pledges receivable as of December 31, 2022 are as follows:

Pledges receivable due in less than one year:	
Fair share pledges	\$ 171,230
Other	<u>20,425</u>
	<u>\$ 191,655</u>

AREAWIDE COUNCIL ON AGING OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE G – PROPERTY AND EQUIPMENT

At December 31, 2022, property and equipment consists of the following:

Building	\$ 3,080,054
Land	616,188
Furniture and equipment	513,952
Vehicles	79,163
Technology	14,890
	<u>4,304,247</u>
Less: accumulated depreciation	<u>(2,645,713)</u>
	<u>\$ 1,658,534</u>

Depreciation expense for the year ended December 31, 2022 was \$108,584.

NOTE H – CONTINGENT RECEIVABLE

In 1989, the Council entered into an agreement with the City of Margate, Florida (the City), whereby the City acquired the land and building located at 5810 Park Drive, Margate, Florida. In consideration, the City constructed a new building at the site and provided the Council with a 99-year lease, commencing November 1, 1989, which requires annual payments of \$1. The lease stipulates that the structure shall be used for providing social, health, nutrition and other types of care, activities and services to the elderly of Northwest Broward County.

In the event that the building is sold by the City or seized by eminent domain, the City has granted to Council the right to receive the entire amount of any proceeds up to a maximum of \$850,000 reduced by \$8,586 for each year that the lease had existed prior to the sale, or \$566,662 at December 31, 2022.

The Council's annual payment of \$1 for use of the building required a corresponding non-contributed financial asset to be recorded based on the fair market value of rent in the area. The assessed fair market value of rent for similar building space in 2022 was \$51,100. For the year ended December 31, 2022, \$42,514 was included in the Statement of Activities and of Functional Expenses, net of \$8,586, which has already been recorded to reduce the amount of the contingent receivable.

NOTE I – FAIR VALUE MEASUREMENT

The investments of the Council are reported at fair value in the accompanying Statement of Financial Position. Following is a description of valuation methodologies used for investments measured at fair value. There have been no changes in the methodology used at December 31, 2022.

AREAWIDE COUNCIL ON AGING OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE I – FAIR VALUE MEASUREMENT (continued)

US equity funds, taxable bond funds, and mixed asset funds - Valued using quoted market prices and/or other market data for the same or comparable instruments.

Certificates of deposit - Cost plus accrued interest based on stated interest rate, which approximates fair value.

Fair values of assets measured on a recurring basis at December 31, 2022 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
Assets:				
Certificates of deposit	\$ -	\$ 548,922	\$ -	\$ 548,922
US Equity Funds	2,049,656			2,049,656
Taxable Bond Fund	1,396,209			1,396,209
Mixed Asset Funds	<u>1,292,223</u>			<u>1,292,223</u>
	<u>\$ 4,738,088</u>	<u>\$ 548,922</u>	<u>\$ -</u>	<u>\$ 5,287,010</u>

NOTE J – PAYCHECK PROTECTION PROGRAM LOAN

On March 27, 2020, the Coronavirus Aid Relief, and Economic Security Act (“CARES Act”) was enacted in response to the COVID-19 pandemic. Under the CARES Act, the Paycheck Protection Program (“PPP”) was established to aid small businesses and nonprofits with resources needed to maintain payroll and cover applicable overhead. During 2021, the Council was approved for a loan totaling \$500,000 under this program. The Council received forgiveness of the loan on June 17, 2022, in the amount of \$196,195, which is included in Other Income on the Statement of Activities. The remaining balance of the loan was paid back to the bank in June 2022.

NOTE K – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. The net assets released from restrictions for the year ended December 31, 2022 are as follows:

Purpose restriction accomplished:		
Empower Caregivers Conference	\$	33,478
Contingent receivable rent		<u>8,586</u>
	\$	<u>42,064</u>

AREAWIDE COUNCIL ON AGING OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE L – NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restrictions are restricted for the following purposes as of December 31, 2022:

Subject to expenditure for specified purpose or time:

Support restricted for use in emergency respite or food, in-home trainer, and related general administrative costs	\$ 257,189
Contingent receivable - Margate building	<u>566,662</u>
	<u>\$ 823,851</u>

NOTE M – RETIREMENT PLAN

The Council provides all employees, with at least one year of service, certain post-retirement benefits in the form of annuity contracts. Amounts contributed in the annuity contracts are excludable from the current gross income of the employees pursuant to Section 403(b) of the Internal Revenue Code. The contracts are funded through elective employee contributions and Council provided funds. Employer contributions are 100% vested after the completion of three plan years. A plan year consists of at least 1,000 hours worked in any calendar year. Contributions from the Council are based upon length of service, as follows:

<u>Length of Service</u>	<u>Maximum Contributions</u>
1 - 5 years	6%
6 - 10 years	7%
11 - 15 years	8%
16 - 19 years	9%
20 - 24 years	10%
25 years and over	11%

Retirement plan expense was \$153,131 for the year ended December 31, 2022.

AREAWIDE COUNCIL ON AGING OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE N – GRANT MATCHING REQUIREMENTS

Certain grants received by the Council require matching contributions. A computation of required and actual matching contributions provided for contract calculations completed in the year ended December 31, 2022 is as follows:

	Qualifying Expenditures Requiring Matching	Match Percentage Required	Match Required	Match Provided	Excess (Deficiency)
State CCE	\$ 6,849,896	10%	\$ 684,990	\$ 761,100	\$ 76,110
OAA Admin	\$ 1,074,391	25%	\$ 268,598	\$ 301,837	\$ 33,239
Federal OAA	\$ 6,097,362	10%	\$ 609,736	\$ 802,001	\$ 192,265

NOTE O – COMMITMENTS AND CONTINGENCIES

Operating Leases

The Council leases office equipment under operating leases, which expire in 2024. Total lease expense for 2022 under these operating leases was \$8,705. Future minimum lease payments under these non-cancelable operating leases for the years subsequent to December 31, 2022 are \$8,584 for 2023 and \$4,806 for 2024.

Concentrations

The Council receives substantially all of its support and revenue from federal, state and local funding sources. Continuing operation of the Council is greatly dependent upon the continued support of these government agencies.

Legal Matters

In the normal course of conducting its operations, the Council occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

AREAWIDE COUNCIL ON AGING OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE P – RESTATEMENT OF NET ASSETS

The Council's financial statements as of December 31, 2022 contained the following misstatement: property and equipment was overstated by \$850,000, contingent receivable was understated by \$575,248, net assets without donor restrictions were overstated by \$850,000, and net assets with donor restrictions were understated by \$575,248. Accordingly, an adjustment was made to decrease property and equipment and net assets without donor restrictions, and increase contingent receivable and net assets with donor restrictions. The following is a summary of the prior period adjustment:

Net Asset Classification	As previously recorded	Adjustment	As restated
Assets:			
Property and equipment	\$ 2,617,118	\$ (850,000)	\$ 1,767,118
Contingent receivable	-	575,248	575,248
	<u>\$ 2,617,118</u>	<u>\$ (274,752)</u>	<u>\$ 2,342,366</u>
Net asset without donor restrictions:			
Beginning of year	<u>\$ 19,636,395</u>	<u>\$ (850,000)</u>	<u>\$ 18,786,395</u>
Net assets with donor restrictions:			
Beginning of year	<u>\$ 290,667</u>	<u>\$ 575,248</u>	<u>\$ 865,915</u>

NOTE Q – SUBSEQUENT EVENTS

The Council has evaluated all subsequent events through September 21, 2023, the date the financial statements were available to be issued. The Council is not aware of any subsequent events, which would require recognition or disclosure in the financial statements.

SUPPLEMENTAL INFORMATION

AREAWIDE COUNCIL ON AGING OF BROWARD COUNTY, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year Ended December 31, 2022

Grantor/Pass-through Agency Program Title	ALN/ CSFA Number	Grant Contract Number	Expenditures	Amounts Paid to Subrecipients
FEDERAL AWARDS				
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES - ADMINISTRATION ON AGING				
Passed through Florida Department of Elder Affairs:				
Older Americans Act - Aging Cluster				
Older Americans Act Administration	93.044-045 & 93.052	JA022	\$ 1,141,409	\$ -
Older Americans Act Title III-B	93.044	JA022	2,640,419	1,898,947
Older Americans Act Title III-C1	93.045	JA022	609,031	609,031
Older Americans Act Title III-C2	93.045	JA022	2,375,250	1,221,247
Older Americans Act Nutrition Services Incentive Program (NSIP)	93.053	JA022	446,192	444,404
CARES Act for Supportive Services under Title III-B	93.044	JCA20	57,656	-
CARES Act for Nutrition Services under Title III-C	93.045	JCA20	124,802	124,802
CARES Act Administration	93.044-045 & 93.052	JCA20	22,325	-
Expanding Access to COVID-19 Vaccines via the Aging Network	93.044	JCV21	77,869	25,206
American Rescue Plan Administration	93.043-045 & 93.052	JRP21	7,758	-
American Rescue Plan for Home Delivered Meals under Title III-C2	93.045	JRP21	803,490	500,373
DOEA Pilot Programs- Uniper	93.045	JB8311E	268,997	-
DOEA Pilot Programs Uniper- IN2L	93.045	JB8311F	61,593	8,639
Total Aging Cluster			8,636,791	4,832,649
Older Americans Act - Other Programs				
OAA Title VII	93.041	J7022	21,267	-
Older Americans Act Title III-D	93.043	JA022	124,299	33,333
Older Americans Act Title III-E	93.052	JA022	757,471	513,500
American Rescue Plan for Family Caregivers under Title III-E	93.052	JRP21	31,734	-
CARES Act for Family Caregiver Support Program under Title III-E	93.052	JCA20	31,812	-
Total Older Americans Act			9,603,374	5,379,482
Medicaid Cluster				
Medicaid Administrative Claiming	93.778	JX021	74,127	-
Statewide Managed Care	93.778	JX021	33,309	-
Medicaid Administrative Claiming	93.778	JX022	87,563	-
Statewide Managed Care	93.778	JX022	39,562	-
Total Medicaid Assistance Programs			234,561	-
Low-Income Home Energy Assistance				
Emergency Home Energy Assistance for Elderly Program	93.568	JP021	150,239	58,074
Emergency Home Energy Assistance for Elderly Program	93.568	JP022	95,062	50,469
Emergency Home Energy Assistance for Elderly Program - ARP	93.568	JPP21	339,033	285,178
Total Low-Income Home Energy Assistance			584,334	393,721
Special Programs for the Aging				
SHINE Senior Medicare Patrol	93.048	JG021	13,029	-
SHINE Senior Medicare Patrol	93.048	JG022	29,808	-
SHINE	93.324	JN021	32,390	-
SHINE	93.324	JN022	97,169	-
Total Special Programs for the Aging			172,396	-
Medicare Enrollment Assistance Programs				
MIPPA	93.071	JB022	68,582	-
MIPPA	93.071	JB023	31,377	-
Total Medicare Enrollment Assistance Programs			99,959	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES - ADMINISTRATION ON AGING			10,694,624	5,773,203
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 10,694,624	\$ 5,773,203

See independent auditor's report.

AREAWIDE COUNCIL ON AGING OF BROWARD COUNTY, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (continued)

Year Ended December 31, 2022

Grantor/Pass-through Agency Program Title	CSFA Number	Grant Contract Number	Expenditures	Amounts Paid to Subrecipients
STATE FINANCIAL ASSISTANCE				
FLORIDA DEPARTMENT OF ELDER AFFAIRS				
Community Care for the Elderly - CCE	65.010	JC021	\$ 3,503,637	\$ 3,153,416
Community Care for the Elderly - CCE	65.010	JC022	3,316,464	3,061,471
Total Community Care for the Elderly - CCE			<u>6,820,101</u>	<u>6,214,887</u>
Alzheimer's Disease Initiative (ADI) - Special Projects	65.002	JZ021	78,478	80,674
Alzheimer's Disease Initiative (ADI) - Special Projects	65.002	JZ022	151,833	142,093
Total ADI - Special Projects			<u>230,311</u>	<u>222,767</u>
Alzheimer's Disease Initiative (ADI) - Respite Services	65.004	JZ021	569,807	567,610
Alzheimer's Disease Initiative (ADI) - Respite Services	65.004	JZ022	780,268	780,268
Total ADI - Respite Services			<u>1,350,075</u>	<u>1,347,878</u>
Home Care for the Elderly	65.001	JH021	314,735	90,680
Home Care for the Elderly	65.001	JH022	360,286	97,895
Total Home Care for the Elderly			<u>675,021</u>	<u>188,575</u>
Local Service Programs	65.009	JL021	584,173	572,754
Local Service Programs	65.009	JL022	640,278	618,294
Total Local Service Programs			<u>1,224,451</u>	<u>1,191,048</u>
Respite for Elders Living in Everyday Families (RELIEF)	65.006	JR021	19,028	19,028
Medicaid Cluster				
Medicaid Administrative Claiming	93.778	JX021	74,127	-
Statewide Managed Care	93.778	JX021	33,309	-
Medicaid Administrative Claiming	93.778	JX022	87,563	-
Statewide Managed Care	93.778	JX022	39,562	-
Total Medicaid Assistance Programs			<u>234,561</u>	<u>-</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 10,553,548</u>	<u>\$ 9,184,183</u>

See independent auditor's report

AREAWIDE COUNCIL ON AGING OF BROWARD COUNTY, INC.
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

December 31, 2022

BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the Schedules) include the federal grant activity and state financial assistance of the Areawide Council of Aging of Broward County, Inc., under programs of the federal government and the State of Florida for the year ended December 31, 2022. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulation* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, *Rules of the Auditor General* (Chapter 10.650), respectively. Because the Schedules present only a selected portion of the operations of Areawide Council of Aging of Broward County, Inc., they are not intended to and do not present the financial position, changes in net assets, or cash flows of Areawide Council of Aging of Broward County, Inc.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, Chapter 10.650, and the laws and regulations of the State of Florida and wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedules, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

INDIRECT COST RATE

Areawide Council of Aging of Broward County, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



**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**

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Florida Institute of
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To the Board of Directors of
Area Council on Aging of
Broward County, Inc.
Sunrise, 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 Areawide Council on Aging of Broward County, Inc. (the "Council") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 21, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council'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 Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council'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

Report on Compliance and Other Matters (continued)

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 Council'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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 21, 2023



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 STATE OF FLORIDA CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

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To the Board of Directors of
Area Council on Aging of
Broward County, Inc.
Sunrise, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Areawide Council on Aging of Broward County, Inc.'s (the "Council") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the Council's major federal programs and state projects for the year ended December 31, 2022. The Council'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 Council 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, 2022.

Basis for Opinion on Each Major Federal Program and State Project

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

Responsibilities of Management for Compliance (continued)

control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Council'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 Council'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, 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 Council's compliance with the requirements of each major federal program or state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, 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 Council'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 Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650 but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Report on Internal Control over Compliance (continued)

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 10.650. Accordingly, this report is not suitable for any other purpose.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 21, 2023

AREAWIDE COUNCIL ON AGING OF BROWARD COUNTY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2022

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Type of auditor’s report issued on compliance for major programs:	Unmodified
Internal control over major programs: Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes
Identifications of major federal programs:	

<u>Name of Project</u>	<u>ALN</u>
Aging Cluster	
Special Programs for the Aging–Title III, Part B	93.044
Special Programs for the Aging–Title III, Part C	93.045
Nutrition Services Incentive Program	93.053
Low-Income Home Energy Assistance	93.568

AREAWIDE COUNCIL ON AGING OF BROWARD COUNTY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2022

Part I – Summary of Auditor’s Results (continued)

State Financial Assistance

Type of auditor’s report issued on compliance for major projects:	Unmodified
Internal control over major projects:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Audit findings disclosed that are required to be reported in accordance with the Florida Single Audit Act and Chapter 10.650, <i>Rules of the Auditor General</i>	No
Dollar threshold used to distinguish between Type A and Type B projects	\$750,000
Identification of major project:	
<u>Name of State Project</u>	<u>CSFA Number</u>
Community Care for the Elderly	65.010
Home Care for the Elderly	65.001

Part II – Financial Statement Findings

None (there are no items related to Federal Awards and State Financial Assistance required to be reported in the management letter, therefore no management letter issued).

Part III – Federal Award and State Projects Findings and Questioned Costs

None (there are no items related to Federal Awards and State Financial Assistance required to be reported in the management letter, therefore no management letter issued).

Part IV – Status of Prior Year Audit Findings

There were no prior year audit findings.

AREAWIDE COUNCIL ON AGING OF BROWARD COUNTY, INC.

SCHEDULES OF GRANTS AWARDED

Year Ended December 31, 2022

Broward County Elderly and Veterans Services	\$ 7,729,409
Broward County Minority Builders Coalition, Inc.	383,159
Cantor Senior Center	277,223
Catholic Charities of the Archdiocese of Miami, Inc.	177,339
City of Deerfield Beach - NEFP	195,724
City of Hallandale Beach - Austin Hepburn Center	111,924
City of Hollywood - Fred Lippman Center	211,576
City of Lauderdale Lakes - Alzheimer's Day Care	208,384
City of Pembroke Pines - SWFP	551,656
Coast to Coast Legal Aid of South Florida	320,312
Direct Services	3,594,014
Human Services Network, Inc.	3,083,820
Jewish Adoption and Foster Care Options, Inc.	91,409
Jewish Community Center	268,216
S.C./S.E. Focal Point/Miramar Center	485,178
N. W. Federated Woman's Club	440,559
N. W. Focal Point	432,844
North Broward Hospital District	1,058
Ponder & Associates, Inc.	47,425
Rebuilding Together	179,449
South Florida Institute on Aging, Inc.	19,028
Sunshine Social Services, Inc.	274,342
West Park	191,019
	<hr/>
Total program services	<u>\$ 19,275,067</u>

See accompanying independent auditor's report

AREAWIDE COUNCIL ON AGING OF BROWARD COUNTY, INC.

SCHEDULES OF FAIR SHARE CONTRIBUTIONS

Year Ended December 31, 2022

Broward County	\$	684,920
City of Fort Lauderdale		127,842
City of Pembroke Pines		106,913
City of Deerfield Beach		64,367
City of Tamarac		62,808
City of Sunrise		58,289
City of Miramar		56,560
City of Pompano Beach		50,000
City of Margate		46,417
Town of Davie		43,295
City of Coconut Creek		39,772
City of Hallandale		35,764
City of Weston		29,390
City of Plantation		25,000
City of Lauderdale Lakes		24,351
City of Lauderhill		19,000
City of Hollywood		18,333
City of Parkland		17,817
City of North Lauderdale		17,186
City of Lighthouse Point		10,164
City of Coral Springs		10,000
City of Oakland Park		10,000
City of Lauderdale-By-The-Sea		8,759
City of West Park		7,193
Town of Hillsboro Beach		3,844
Town of Pembroke Park		3,322
Town of Southwest Ranches		2,000
		<u>2,000</u>
	\$	<u>1,583,306</u>

The fair share contributions for the year ended December 31, 2022 meet applicable State of Florida and Department of Elder Affairs requirements for locally generated funding.

See accompanying independent auditor's report