

Combined Financial Statements

COUNCIL ON AGING OF VOLUSIA COUNTY, INC. AND AFFILIATES

September 30, 2022



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INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Council on Aging of Volusia County, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying combined financial statements of the Council on Aging of Volusia County, Inc. (a nonprofit organization) and affiliates, which comprise the combined statement of financial position as of September 30, 2022, and the related combined statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Council on Aging of Volusia County, Inc. and affiliates as of September 30, 2022, and the changes in their net assets and their 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. 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 on Aging of Volusia County, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 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 combined financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 Council on Aging of Volusia County, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Council on Aging of Volusia County, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 US "Code of Federal Regulations" Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" and Chapter 10.650, Rules of Auditor General, is presented for purposes of additional analysis and is not a required part of the combined 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 combining financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined 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 24, 2023, on our consideration of Council on Aging of Volusia County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Council on Aging of Volusia County, Inc.'s internal control over financial reporting and compliance.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Schedules I-III on page 33 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 information is fairly stated in all material respects in relation to the financial statements as a whole.



Port Orange, FL
May 24, 2023

FINANCIAL STATEMENTS



	2022
Assets	
Cash and cash equivalents	\$ 599,049
Cash, restricted guardianship accounts	3,677,328
Accounts receivable	1,075,458
Prepaid expenses	28,601
Investments	2,759,199
Property and equipment, less accumulated depreciation	1,533,452
Total assets	\$ 9,673,087
Liabilities	
Accounts payable	\$ 480,595
Accrued expenses and other payables	158,032
Customer deposits - private care services	2,675
Deferred revenue	246,821
Guardianship accounts liability	3,677,328
Long term capital leases	68,722
Mortgage payable	954,468
Total liabilities	5,588,641
Net Assets	
Without donor restrictions	1,922,740
With donor restrictions	2,161,706
Total net assets	4,084,446
Total liabilities and net assets	\$ 9,673,087

Combined Statement of Activities
For the Year Ended September 30, 2022

Net Assets Without Donor Restrictions	2022
Support and revenues	
Federal financial assistance	\$ 2,048,967
State financial assistance	2,931,089
In-kind services	934,665
Local contributions, donations and bequests	347,991
Local government assistance	354,310
Special events and other	59,437
Project and contract income	187,675
Private care services	346,249
Investment (loss) income	(314,329)
Total support and revenues	6,896,054
Released from restrictions	161,454
Total unrestricted support and revenues	7,057,508
Expenses	
Program expenses	
Program services	7,422,836
Support expenses	
General, non-allocable, and fundraising	409,785
Total expenses	7,832,621
Change in net assets without donor restrictions	(775,113)
Net Assets With Donor Restrictions	
Contributions	
Investment (loss) income	(134,249)
Other meals and service contributions	420,324
Total contributions	286,075
Released from restrictions	(161,454)
Change in net assets with donor restrictions	124,621
Change in total net assets	(650,492)
Net assets, beginning of period	4,734,938
Net assets, end of period	\$ 4,084,446

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

**Combined Statement of Functional Expenses
For the Year Ended September 30, 2022**

	Program Expenses				Support Expenses				Total
	Elder Services	Guardianship	Senior Activity Centers	Total COA Program	General Expenses	Non-allocable and Fundraising Expenses	Foundation		
Expenses									
Salaries and wages	\$ 1,705,867	\$ 286,377	\$ 112,209	\$ 2,104,453	\$ 493,186	\$ 78,037	\$ 26,740	\$ 2,702,416	
Payroll taxes & employee benefits	428,322	66,538	25,367	520,227	95,779	10,872	3,994	630,872	
Total salaries and related expenses	2,134,189	352,915	137,576	2,624,680	588,965	88,909	30,734	3,333,288	
Travel- staff	84,800	8,203	2,185	95,188	1,097	599	212	97,096	
Travel- volunteers	26,607	-	-	26,607	-	-	-	26,607	
Education/training	286	280	-	566	1,226	50	-	1,842	
Communications/postage	57,961	11,641	3,545	73,147	8,310	4,360	924	86,741	
Utilities	9,226	2,082	45	11,353	7,055	1,547	710	20,665	
Printing and supplies	41,818	6,884	11,578	60,280	8,822	1,549	560	71,211	
Advertising and promotion	12	-	-	12	-	4,999	50	5,061	
Insurance	45,857	7,092	2,417	55,366	5,808	1,531	8,667	71,372	
Maintenance and repair	11,642	2,075	2,101	15,818	6,719	3,736	7,577	33,850	
Building space	16,482	1,960	232	18,674	4,462	1,434	477	25,047	
Equipment lease	771	179	11	961	309	82	37	1,389	
Professional/legal/audit fees	51,170	49,940	2,650	103,760	30,475	9,222	630	144,087	
Service contractors	1,410,563	7,923	-	1,418,486	-	-	-	1,418,486	
Food and food supplies	1,226,796	-	-	1,226,796	-	-	-	1,226,796	
Other operating expenditures	40,920	8,271	3,508	52,699	37,999	80,916	49,311	220,925	
In-kind services	809,965	70	114,340	924,375	34	10,252	4	934,665	
Depreciation	39,716	9,077	4,471	53,264	20,340	8,746	31,143	113,493	
Allocation of administrative costs	557,269	63,708	39,827	660,804	(721,621)	31,982	28,835	-	
Total expenses	\$ 6,566,050	\$ 532,300	\$ 324,486	\$ 7,422,836	\$ -	\$ 249,914	\$ 159,871	\$ 7,832,621	

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

Combined Statement of Cash Flows
For the Year Ended September 30, 2022

	2022
Cash Flows From Operating Activities	
Change in total net assets	\$ (650,492)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	113,493
Realized gain (loss) on investments	(105,178)
Unrealized gain (loss) on investments	553,754
Decrease (increase) in certain assets:	
Accounts receivable	(117,721)
Prepaid expenses	2,808
Increase (decrease) in certain liabilities:	
Accounts payable and accrued expenses	(52,026)
Customer deposits	(14,666)
Deferred revenue	(92,584)
Net cash provided by (used in) operating activities	(362,612)
Cash Flows From Investing Activities	
Purchase of equipment and property	(353,800)
Net proceeds from/purchases of investments	421,174
Net cash provided by (used in) investing activities	67,374
Cash Flows From Financing Activities	
Principal payments on capital leases	(17,134)
Principal payments on mortgage and notes payable	(20,532)
Net cash provided by (used in) financing activities	(37,666)
Net increase (decrease) in cash and cash equivalents	(332,904)
Cash and cash equivalents, beginning of period	931,953
Cash and cash equivalents, end of period	\$ 599,049
Supplemental Disclosures of Cash Flow Information	
Cash paid during the period for interest expense	\$ 35,310
Noncash investing activities	
Land and building purchase	\$ 975,000

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

Note 1

Summary of Significant Accounting Policies

The significant accounting policies are described below to enhance the usefulness of the financial statements to the readers.

Reporting Entities and Basis of Accounting – Council on Aging of Volusia County, Inc. (“COA”), was incorporated on March 23, 1967, as a nonprofit organization located in Daytona Beach, Florida. COA relies on federal, state, and local governmental agency support to provide subsidized services for the elderly, disabled, and needy of Volusia County. Federal and state agencies require COA to raise matching funds from local sources including the general public.

Living Gifts Foundation of the Council on Aging of Volusia County, Inc. (the “Foundation”), was incorporated on October 31, 1986, as a nonprofit organization located in Daytona Beach, Florida, to solely and directly further the mission, goals and objectives of Council on Aging of Volusia County, Inc.

The financial statements include the combined assets, liabilities, revenues, and expenses of COA and the Foundation as determined using the accrual basis of accounting with all significant balances and transactions between the two entities eliminated.

Financial Statement Presentation – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Coalition (ASC) 958 *Not-for-Profit Entities*. Under FASB ASC 958, COA and the Foundation are required to report information regarding their financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Nature of Activities – The financial activities of COA include the following primary programs:

Older Americans Act (OAA) – Under Older Americans Act legislation, U.S. residents over 60 years of age are eligible for services with priority given

to the people with the most economic and social need. These services include congregate and home-delivered meals, nutrition education, homemaking, personal care, material aid, transportation, in-home and in-facility respite, caregiver training and support, outreach, education and counseling.

Nutrition Services Incentive Program (NSIP) – This program is used to support nutrition programs for the elderly. COA receives federal grant reimbursements for each meal served to the elderly. NSIP allows COA to increase the number of meals served.

Community Care for the Elderly (CCE) – This State of Florida general revenue program provides in-home services for clients 60 and over who have been assessed functionally impaired by trained case managers. This program includes follow-up visits and provides links to other community services. The services include case management, homemaking, personal care, respite, adult day care, home delivered meals, emergency alert response systems, chore, material aid and pest control.

Home Care for the Elderly (HCE) – The goal of the Home Care for the Elderly program is to encourage care for elders in a family-type living arrangement as an alternative to institutional care. The program encourages caregivers to provide, on a not-for-profit basis, basic support and maintenance as well as assistance in arranging specialized services for elderly relatives or non-relatives. Case management, subsidy payments, and caregiver respite services are available to qualified caregivers and/or vendors on behalf of eligible clients.

Alzheimer’s Disease Initiative (ADI) – This state funded program provides respite care services, including in-home services, for those with Alzheimer’s disease as well as training for caregivers of these individuals.

Local Service Program (LSP) – This State of Florida General Revenue program provides home-delivered meals.

Senior Activity Centers – Under agreements with the cities of New Smyrna Beach, Ormond Beach, Orange City and Deltona, COA staffs and operates four full-time Senior Activity Centers. Senior Activity Center programs are focused on the areas of health, education, and recreation. Allotments from the cities, contributions from the public, membership dues and program fees help offset the cost of operating the centers.

Note 1 - continued

Summary of Significant Accounting Policies

Guardianship – COA is the public guardian for Volusia County caring for the most indigent individuals as determined by the court to be unable to manage their own affairs. Guardianship may be for the individual and/or his or her property. As of July 1, 2014, COA operates a public guardianship program funded by the State Department of Elder Affairs. This program also provides guardianship services for the Seventh Judicial Circuit operating in Flagler, Putnam and St. Johns Counties under a d/b/a Senior Guardianship of the 7th Circuit. COA also acts as a professional guardian expanding the program to those who do not qualify under the public programs.

Private Care Services – This program provides for home-delivered meals and in-home services to clients who do not qualify for services administered through state or federal programs. Proceeds help extend services to those who would otherwise remain on the waiting list due to limited grant funds.

Liquidity – Assets are presented in the accompanying Statement of Financial Position according to their nearness of conversion to cash and liabilities according to their nearness of their maturity and resulting use of cash.

Cash and Cash Equivalents – Cash and cash equivalents consist of checking accounts, savings accounts and money market funds with original maturity dates of three months or less. All savings and money market accounts earn interest on their average monthly balances. For purposes of the combined statements of cash flows, COA considers all highly liquid debt instruments purchased with original maturity dates of three months or less to be cash equivalents.

Guardianship Accounts, Restricted Cash and Liability – Guardian accounts consist of a client/ward's financial assets which are placed into distinct accounts that are not held jointly with any other person. Guardian accounts are clearly titled as being held by COA, as the guardian, for the benefit of the ward. The assets are recorded as restricted cash and a corresponding liability account is recorded.

Investments – Long-term investments are stated at fair value. All current period investments in money market, equity investments, bond and debt instruments, and equity mutual funds are based on quoted prices in active markets (all Level 1 measurements). Investments in private operating entities are reported at fair value based on recurring fair value measurements performed annually.

Unrealized gains and losses are included in the change of net assets in the accompanying Statement of Activities. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Accounts Receivable – Accounts receivable include federal and state receivables at year end for reimbursable qualified expenses from grant contracts and receivables from individuals for private care services. All grant and private care receivables are stated at net realizable value. When applicable, accounts receivable determined to be worthless (based on individual credit evaluation and specific circumstances of the customer) are written off and are charged to bad debt expense in the year determined uncollectible. Accordingly, no reserve for uncollectible accounts was considered necessary.

Note 1 - continued

Summary of Significant Accounting Policies

Promises to Give and Contributions – Contributions are recognized when the donor makes a promise to give to COA that is, in substance, unconditional. Contributions received are recorded as support with or without donor restriction depending on the existence or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with restrictions that increases the net asset class. When a restriction expires, net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities as released from restrictions.

Property and Equipment -- Acquisitions of non-expendable tangible property in excess of \$500 with a useful life in excess of one year are capitalized at historical cost. Office furniture and equipment and transportation equipment are depreciated over estimated useful lives ranging from three to seven years using the straight-line depreciation method. Leasehold improvements are depreciated over their estimated useful lives using the straight-line depreciation method.

Fair Value of Financial Instruments -- The carrying amount reported in the combining statement of financial position for cash and cash equivalents, accounts receivable, accounts payable and short-term debt approximates fair value because of the immediate or short-term maturity of these financial instruments.

Intercompany Transfers and Transactions -- Transfers are recognized in the accounting period in which the intercompany receivable and payable arise. Intercompany transfers have not been eliminated. They may include the following types of transactions:

Quasi-External Transactions - Transactions which are treated as revenues, expenditures or expenses, if they involve organizations external to the grant-related unit, are accounted for as revenues, expenditures, or expenses in the company involved.

Reimbursements - Transactions which constitute reimbursements of a company for expenditures or expenses initially made from it, which are properly applicable to another company, are recorded as expenditures or expenses in the reimbursing company and as reductions of the expenditure or expense in the company that is reimbursed.

Paid Time Off (PTO) -- COA's full and part time employees are entitled to PTO which accrues equally each pay period as outlined below. An employee may carry over and accumulate in the subsequent fiscal year a maximum of 15 PTO days. Accumulated PTO, up to a maximum of 80 hours, will be paid on the final paycheck, if the employee gives and works, the entire two week notice upon voluntary termination. During the year ended September 30, 2022, \$83,477 was included as a component of accrued expenses in the Statement of Financial Position.

Employee Classification	Year of Service	Days Accrued Annually
Full Time, 1 day = 8 hours	1 st	10
	2 nd	15
	3 rd – 5 th	17
	6 th – 10 th	21
	11 th – 15 th	22
	16 th – 20 th	23
	20+	24

Note 1 - continued

Employee Classification	Year of Service	Days Accrued Annually
Part Time (PT) I – IV	1 st	8
PT I – 1 day = 8 hours	2 nd	10
PT II – 1 day = 6 hours	3 rd	11
PT III – 1 day = 5 hours	4 th – 5 th	13
PT IV – 1 day = 4 hours	6 th - 10 th	15
	11 th - 15 th	16
	16 th – 20 th	17
	20+	18

Deferred Revenue -- Deferred revenue represents cash received during the current period in advance of services to be performed in the future. These cash advances have been recorded as "unearned" revenues until they become available for revenue recognition in subsequent periods. All deferred revenues are derived from exchange transactions, third party reimbursements or program service activities.

Donated Materials and Services -- COA records the value of donated goods or services when there is an objective basis available to measure their value. Donated equipment, supplies and facility usage are reflected as a contribution in the accompanying statements at the estimated value on the date of receipt. Support arising from contributed services of certain personnel has been recognized in the accompanying statements at amounts equal to the value of the contribution of these services based on the published state rate for volunteer services.

Combined Statement of Functional Expenses -- The costs of providing the various programs and other activities have been detailed in the Combining Statement of Functional Expenses and summarized on a functional basis in the Combining Statement of Activities. Accordingly, certain costs have been allocated among the programs and support services benefited based on an analysis of personnel time and space utilized for the related activities.

Income Taxes -- COA and the Foundation are exempt from income tax under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3). The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances. COA and the Foundation believe that they have no liability for taxes with respect to unrelated business income. However, such status is subject to final determination upon examination of the related income tax returns by the appropriate taxing authorities.

COA and the Foundation follow Accounting Standards Codification Topic 740, *Income Taxes* ("ASC 740"). A component of this standard prescribes a recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. COA and the Foundation's policy is to recognize interest and penalties associated with tax positions under this standard as a component of tax expense, and none were recognized since there was no material impact of the application of this standard for the year ended September 30, 2022. Informational returns (Form 990) have been filed with the Internal Revenue Service. The information returns (Form 990) for fiscal years ended September 30, 2019, 2020, 2021 and 2022 are subject to examination by the Internal Revenue Service, generally three years after they were filed.

Accounting 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 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.

Note 1 - continued

Recent Accounting Pronouncements – In February 2016, the FASB issued ASU 2016-02 *Leases: Topic 842*. This ASU affects any entity that enters into a lease, with some specified scope exemptions. The main difference between previous GAAP and this ASU is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. The amendments in this ASU were officially delayed by the FASB and are effective for fiscal years beginning after December 15, 2021. COA has not yet implemented this ASU and is in the process of assessing the effect on the Association's financial statements.

Note 2

Cash and Cash Equivalents

At September 30, 2022, the carrying amounts of COA's cash deposits were \$370,774 and the bank balances were \$378,336 including brokerage money market accounts of \$9,527 of which \$336.991 was insured through the Federal Deposit Insurance Corporation (FDIC). Included in the carrying amount of COA's cash deposits is \$2,900 of petty cash and change funds.

At September 30, 2022, the carrying amounts of the Foundation's cash deposits and bank balances were \$228,275, including brokerage money market accounts of \$26,030, all of which were insured through the FDIC.

At September 30, 2022, the carrying amounts of COA's restricted guardianship cash deposits were \$1,464,887 and the bank balances were \$1,608,931, all of which were insured through the FDIC.

Note 3

Liquidity and Availability of Resources

At September 30, 2022, COA's and the Foundation's financial assets available within one year of the Combined Statement of Financial Position date for general expenditure are as follows:

	COA	Foundation
Cash and cash equivalents	\$ 370,774	\$ 228,275
Accounts receivable, net	1,075,458	-
Investments	524,563	2,234,636
	\$ 1,970,795	\$ 2,462,911
Less amounts unavailable for general expenditures		
Restricted by donor with purpose restrictions	(1,088,253)	(1,073,453)
Total financial assets available within one year	\$ 882,542	\$ 1,389,457

Note 4

Investments

Long-term investments are stated at fair value. All current period investments in money market, equity investments, bond and debt instruments, and equity mutual funds are based on quoted prices in active markets (all Level 1 measurements). Investments in private operating entities are reported at fair value based on recurring fair value measurements performed annually. At September 30, 2016, the fair value of COA's investment in a private operating company was reduced to \$0 based on management's assessment (See Note 5). At September 30, 2022, the fair value of COA and the Foundation's investments in marketable securities were \$524,563 and \$2,234,636, respectively.

At September 30, 2022, the Fair value and unrealized appreciation (depreciation) is summarized as follows:

	Costs	Fair Value	Unrealized (Depreciation) Appreciation
COA (without donor restrictions)	\$ 513,442	\$ 524,563	\$ 11,121
COA (without donor restrictions)	250,000	-	(250,000)
Total COA investments	\$ 763,442	\$ 524,563	\$ (238,879)
Foundation (without donor restrictions)	\$ 1,108,928	\$ 1,172,938	\$ 64,010
Foundation (with donor restrictions)	1,052,015	1,061,698	9,683
Total Foundation investments	\$ 2,160,943	\$ 2,234,636	\$ 73,693

The following schedule summarizes the investment return from unrestricted long-term investments and its classification in the Combined Statement of Activities for the current year ended:

	COA	Foundation
Interest and dividend income	\$ 11,496	\$ 58,063
Realized gains (losses)	2,723	32,894
Unrealized gains (losses)	(97,083)	(456,671)
Total net investment income (loss)	\$ (82,864)	\$ (365,714)

Note 5

Fair Value Measurements

Definition and Hierarchy – Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. In determining fair value, COA and the Foundation use various valuation approaches. A fair value hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs are to be used when available.

Observable inputs (when applicable) are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of COA and the Foundation. Unobservable inputs (when applicable) reflect COA and the Foundation's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Note 5 - continued

Fair Value Measurements

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that COA has the ability to access. Valuation adjustments are not applied to Level 1 investments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these investments does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from investment to investment and are affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Accordingly, the degree of judgment exercised by COA and the Foundation in determining fair value is greatest for investments categorized in Level 3.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement. Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, COA and the Foundation's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. COA and the Foundation use prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many investments. This condition could cause an investment to be reclassified to a lower level within the fair value hierarchy.

Investment in Private Operating Company: Daytona Area Senior Services, Inc. d/b/a Halifax Health Care at Home -- At September 30, 2022, COA's investment in Halifax Health Care At Home consists of a 5% equity member interest in a nonprofit health and welfare organization. The transaction price, excluding transaction costs, is typically COA's best estimate of fair value at inception. When evidence supports a change to the carrying value from the transaction price, adjustments are made to reflect expected exit values in the investment's principal market under current market conditions. Ongoing reviews by COA's management are based on an assessment of trends in the performance of each underlying investment from the inception date through the most recent valuation date.

Note 5 - continued

Fair Value Measurements

These assessments typically incorporate valuation methodologies that consider the evaluation of arm's length financing and sale transactions with third parties and, when information is present, an income approach reflecting a discounted cash flow analysis. In certain instances, COA may use multiple valuation methodologies for a particular investment and estimate its fair value based on a weighted average or a selected outcome within a range of multiple valuation results. This investment is included in Level 3 of the fair value hierarchy.

For the year ended September 30, 2022, COA determined the value of the investment is \$0 based on the continuous decreases in net assets and a need for significant cash required for working capital needs. (See Note 14).

Estimated fair value of certain assets measured on a recurring basis at September 30, 2022, are as follows:

	Quoted prices in active markets of identical assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
COA Marketable Securities – CD Investments	\$ 524,563	\$ -	\$ -	\$ 524,563
COA Private Equity Investment in DASS, Inc.	-	-	-	-
Foundation Marketable Securities	2,234,636	-	-	2,234,636
	\$ 2,759,199	\$ -	\$ -	\$ 2,759,199

Note 6

Unconditional Promises to Give

Under the requirements of FASB ASC 958, unconditional promises to give are recorded at the time COA and the Foundation receive formal notification of the promise. COA and the Foundation require the notification be in written form and oral promises are not to be recorded. The FASB defines an unconditional promise to give as a promise to give that depends only on passage of time or demand by the promisee for performance. As of September 30, 2022, \$17,500, net of \$2,370 discount, was included as a component of accounts receivable.

Note 7

Property and Equipment

Property and equipment at September 30, 2022, are as follows:

	COA	Foundation
Furniture, fixtures & equipment	\$ 626,485	\$ -
Leasehold improvement	30,911	-
Vehicles	21,000	-
Land & building	-	1,337,535
	678,396	1,337,535
Less accumulated depreciation	(451,336)	(31,143)
Net property and equipment	\$ 227,060	\$ 1,306,392

Depreciation and amortization expense for the current year charged to operations for COA and LGF was \$82,350 and \$31,143, respectively.

Note 8

Deferred Revenue

Deferred revenue consisted of the following at September 30, 2022:

	COA	Foundation
Older Americans Act	\$ 54,762	\$ -
Foundation of Indigent Guardianship	2,320	-
Public Guardianship	41,117	-
Other private care program income	4,738	-
Special Event	-	143,884
Total	\$ 102,937	\$ 143,884

Note 9

Mortgage and Notes Payable

Notes and mortgages payable consisted of the following at September 30, 2022.

	COA	Foundation
On January 27, 2017, the Foundation satisfied a Portfolio Loan Account (PLA) which offered the Living Gifts Foundation a line of credit with its investment broker. The interest rate for the line of credit is LIBOR with an interest spread of 3.5% depending on the approved facility limit.	\$ -	\$ -
November 1, 2021, LGF purchased the building rented by COA for its main facility operations located at 420 Fentress Boulevard, Daytona Beach, FL which is pledged as collateral under the provisions of a Promissory Note. The note carries an interest rate of 3.5% and has a 15-year term with a 25-year amortization.	-	954,468
Total	\$ -	\$ 954,468
Principal maturities in the next five years on the notes and mortgages payable are as follows:		
Year ended September 30,		
2023	\$	25,433
2024		26,259
2025		27,297
2026		28,282
2027		29,302
Thereafter		817,895
	\$	954,468

Note 10

Net Assets With Donor Restrictions

Net assets with donor restrictions are those that are donated subject to restrictions that are limited to a specific period of time. Typically, these represent items that were received with a donor-imposed restriction that will be satisfied in the future (generally within one year). The donor's restriction may be for a particular purpose or program or for use in a specified time period. When the restriction period runs out on net assets with donor restrictions, the asset value is transferred into the net assets without donor restrictions section of the Statement of Activities. As of September 30, 2022, there was \$1,088,253 and \$1,073,453 in net assets with donor restrictions that will be satisfied in the future for COA and the Foundation, respectively.

A summary of net assets with donor restrictions that have not met either the donors' time or purpose restrictions at September 30, 2022 are as follows:

	COA	Foundation
DeLand Food Program	\$ -	\$ 1,073,453
Guardianship	31,549	-
Meal Programs (Bequest for West Side of Volusia County)	615,569	-
Other Meal Programs	378,428	-
Respite Services, Client Supplies	14,856	-
Deltona Site	2,998	-
Van	44,853	-
Total net assets with donor restrictions	\$ 1,088,253	\$ 1,073,453

Note 11

Leases

Operating Leases – October 22, 2021, COA entered into a 5-year lease agreement with the Foundation with an effective date of November 1, 2021 and two (2) 5-year renewal options through October 2036.

COA also leases various real property and equipment under agreements which expire at various dates. Certain leases contain renewal provisions and generally require COA to pay insurance, taxes and other operating expenses related thereto. Future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of September 30, 2022, are as follows:

Year ended September 30,	
2023	\$ 130,185
2024	125,660
2025	126,691
2026	129,027
2027	11,020
	\$ 522,583

Note 11 – continued

Capital Leases – At September 30, 2022, COA has equipment costing \$100,346 pledged as security under the provisions of a long-term capital lease. This lease carries an implicit interest rate of 8.43% and expires January 2026.

The following is a schedule of future minimum lease payments and the present value of the net minimum lease payments as of September 30, 2022:

Year ended September 30,	
2023	\$ 23,722
2024	23,722
2025	23,722
2026	7,907
2027	-
Total minimum lease payments	\$ 79,073
Less amount representing interest	(10,351)
Present value of net minimum lease payments	68,722
Less amount due in one year	(18,635)
Long-term capital leases	\$ 50,087

Note 12

Commitments and Contingencies

Grant Support – COA receives a substantial amount of its support from federal, state, and local governments. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of COA. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although COA expects such amounts, if any, to be immaterial.

Litigation – COA is from time to time engaged in routine litigation incidental to the conduct of its affairs. In the opinion of Counsel to COA, no legal proceedings are pending or threatened which may materially affect the financial condition of COA.

Contingent Liability – During fiscal year ending September 30, 2021, COA did not fully comply with certain requirements applicable to its responsibilities under the Consolidated Omnibus Budget Reconciliation Act (COBRA) with regard to employer’s group health coverage. Consequently, out-of-pocket damages incurred by affected employees and penalties can be assessed by the US Department of Labor. Through May 24, 2023, the date the financial statements were issued, COA has not received any assessments for penalties. Potential future amounts of any potential liability cannot be reasonably estimated.

Note 13

Significant Events

On June 16, 2012, COA entered into an exclusive affiliation agreement with East Volusia Health Services, Inc., a Florida not for profit corporation (EVHS), whereby COA accepted EVHS as an operating member of the Daytona Area Senior Services, Inc. (DASS), a Florida not for profit corporation d/b/a "Halifax Health Care at Home." The Agreement provides that EVHS will be admitted as a member of DASS with the ability to appoint three directors to the Daytona Area Senior Services Board of Directors, which is limited to a maximum total of six directors.

Pursuant to the terms of the agreement, DASS will subsequently enter into an exclusive services agreement with Halifax Health, or its subsidiaries and affiliates, who will provide certain administrative and management services to DASS. As a part of the agreement, subsequent to June 16, 2012, the financial affairs of DASS will effectively be split pro-rata among the two members. The agreement also specifies that an unrestricted donation will be made by EVHS to COA in the amount of \$200,000, which is thereby represented to be the acknowledged fair market value of the 50% equity value of DASS on the date of the executed agreement. During the year ended September 30, 2013, COA invested an additional \$50,000 in DASS.

During the year ended September 30, 2016, COA and EVHS negotiated an agreement whereby COA would reduce its membership to 5% with one member on the DASS Board of Directors in exchange for EVHS forgiving the prior working capital funding obligation of COA as a co-member of DASS. The agreement is effective May 1, 2017.

Note 14

Deferred Salary and Employee Benefit Plans

COA has established and maintains a qualified employee salary deferral plan under IRC 403(b) for its employees. All employees 21 years of age or older and working 20 hours or more per week are eligible to participate in the plan. COA participates in the plan by contributing 50% of the first six percent of the qualifying base salary of the eligible participating employee after the employee has completed two years of employment. The funding vehicle used to administer the plan provides separate accounts for each participating employee, and all investments are participant-directed. During the current year, COA's and LGF's contributions to the plan totaled \$33,923 and \$410, respectively.

In addition, COA maintains a qualified Section 125 Cafeteria Plan for its employees. Employees use pre-tax dollars to pay for their medical, dental, vision, and any other qualified insurance premium costs not covered by employer-sponsored coverage. During the current year, COA's and the Foundation's premium contributions for health, life, and disability insurance totaled \$361,996 and \$1,285, respectively.

Note 15

Subsequent Events

In preparing these financial statements, COA and the Foundation have evaluated events and transactions for potential recognition or disclosure through May 24, 2023, the date the financial statements were issued.

In April 2023, COA received approval from the City of Daytona Beach to lease a new Dining Site facility at the Mickel A. Brown, Sr. Activity Building at the John H. Dickerson Community Center, 308 S. Dr. Martin Luther King Jr. Boulevard, Daytona Beach, Florida 32114. The effective date of the lease agreement is contingent upon the City's completion of the renovation of the grounds and parking areas at the Dickerson Community Center.

COMPLIANCE SECTION



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

To the Board of Directors of
Council on Aging of Volusia County, Inc.

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 Council on Aging of Volusia County, Inc. (a nonprofit corporation hereinafter referred to as the "Organization"), which comprise the combined statement of financial position as of September 30, 2022, and the related combined statements of activities and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated May 24, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the 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 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 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 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.



Port Orange, FL

May 24, 2023

INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH UNIFORM GUIDANCE

REPORT ON COMPLIANCE WITH REQUIREMENTS FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Council on Aging of Volusia County, Inc.

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Council on Aging of Volusia County, Inc.'s (the "Organization"), 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 Organization's major federal programs and State projects for the year ended September 30, 2022. 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 September 30, 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 Chapter 10.650, Rules of Auditor General. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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. 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, and the Uniform Guidance 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 10.650, Rules of 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, 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.

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 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 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH UNIFORM GUIDANCE

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



Port Orange, Florida

May 24, 2023

**Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2022**

Federal or State Agency Pass-through Entity Federal Program/State Project	CFDA CSFA Number	Agency or Pass-through Contract Number	Expenditures
Federal Awards			
U.S. Department of Health & Human Services			
Passed through FL Dept of Elder Affairs & Northeast FL Area Agency on Aging, Inc., d/b/a ElderSource			
Special Program for the Aging--Title III, Part B-Grants for Supportive Services & Senior Centers			
Contract Calendar Year 2021	93.044	A021-V	\$ 121,047
Contract Calendar Year 2022	93.044	A022-V	431,721
Special Program for the Aging--Title III, Part C-Nutrition Services			
Congregate Meals (C-1) Calendar Year 2021	93.045	A021-V	80,363
Congregate Meals (C-1) Calendar Year 2022	93.045	A022-V	246,098
Home Delivered Meals (C-2) Calendar Year 2021	93.045	A021-V	149,747
Home Delivered Meals (C-2) Calendar Year 2022	93.045	A022-V	488,721
Coronavirus Consolidated Appropriations Act for Nutrtrion Services under Title III-C:			
Contract Year February 2021 - September 2022	93.045	CV21-V	163,264
Nutrition Services Incentive Program (NSIP)			
Contract Calendar Year 2021	93.053	A021-V	334
Contract Calendar Year 2022	93.053	A022-V	92,072
Aging Cluster (93.044, 93.045, and 93.053)			<u>1,773,367</u>
National Family Caregiver Support, Title III, Part E			
Contract Calendar Year 2021	93.052	A021-V	79,972
Contract Calendar Year 2022	93.052	A022-V	180,628
Total U.S. Department of Health & Human Services			<u>2,033,967</u>
Department of Housing and Urban Development			
Passed through City of Deltona, Florida			
Community Development Block Grants - Entitlement Grants			
Contract Period 2021 - 2022	14.218		15,000
Total expenditures of Federal Awards			<u>\$ 2,048,967</u>

Schedule of Expenditures of Federal Awards and State Financial Assistance (continued)
For the Year Ended September 30, 2022

Federal or State Agency Pass-through Entity Federal Program/State Project	CFDA CSFA Number	Agency or Pass-through Contract Number	Expenditures
Florida Department of Elder Affairs			
Public Guardianship			
Contract Period 2021 - 2024	65.003	X9181	302,102
Passed through FL Dept of Elder Affairs & Northeast FL Area Agency on Aging, Inc., d/b/a ElderSource			
Community Care for the Elderly			
Contract Period 2021 - 2022	65.010	C021-V	1,290,771
Contract Period 2022 - 2023	65.010	C022-V	421,697
Alzheimer's Disease Initiative - Respite Services			
Contract Period 2021 - 2022	65.004	Z021-V	551,969
Contract Period 2022 - 2023	65.004	Z022-V	188,821
Home Care for the Elderly - Case Management			
Contract Period 2021 - 2022	65.001	H021-V	79,330
Contract Period 2022 - 2023	65.001	H022-V	22,611
Local Service Program (LSP)			
Contract Period 2021 - 2022	65.009	L021-V	23,231
Contract Period 2022 - 2023	65.009	L022-V	50,557
Total FL Department of Elder Affairs			\$ 2,931,089
Total expenditures of State Financial Assistance			\$ 2,931,089

Note 1

Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of Council on Aging of Volusia County, Inc. (the "Organization"), under programs of the federal and state government for the year ended September 30, 2022, in accordance with the provisions 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 auditor General of the State of Florida. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

Note 2

Summary of Significant Accounting Policies for Federal Award Expenditures

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance (*), wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

(*) Such expenditures are recognized following, as applicable, in the cost principles contained in *Title 2 U. S. Code of Feral Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3

Indirect Cost Rate

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

**Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2022**

Summary of Auditor's Federal and State Results:

Financial Statements	
Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be a material weakness(es)?	No
Noncompliance material to financial statements	No
Federal Awards	
Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be a material weakness(es)?	No
Type of auditors' report issued	Unmodified
Any audit findings disclosed that are not required to be reported in accordance with Section 510(a) of Circular A-133?	No
The programs/projects tested as major programs/projects include the following:	
Federal Programs or Clusters*	
Department of Health and Human Services	
Special Programs for the Aging—Title III, Part B – Grants for Supportive Services and Senior Centers(*)	CFDA # 93.044
Special Grants for the Aging—Title III, Part C – Nutrition Services(*)	CFDA # 93.045
Nutrition Services Incentive Program(*)	CFDA # 93.053
State Project	
Florida Department of Elder Affairs Passed Through Northeast Florida Area Agency on Aging, Inc., d/b/a ElderSource	
Community Care for the Elderly	CSFA # 65.010
Dollar threshold used to distinguish between Type A and Type B programs	
Federal Programs	\$750,000
State Projects	\$750,000
Auditee qualified as a low-risk auditee?	Yes

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

Schedule of Findings and Questioned Costs - continued
For the Year Ended September 30, 2022

Findings related to the financial statements which are required to be reported in accordance with *Governmental Auditing Standards*:

None

Findings and questioned costs for major federal programs and state projects:

None

Summary schedule of prior audit findings: There were no audit findings for the year ended September 30, 2021, relative to federal programs and state projects that required corrective action on part of the auditee.

Corrective action plan: There are no audit findings for the year ended September 30, 2022, relative to federal programs and state projects that require corrective action on the part of the auditee.

Other issues: None

SUPPLEMENTARY INFORMATION



Schedule I – Combining Statement of Financial Position
September 30, 2022

	COA	Foundation	Elimination	Total
Assets				
Cash and cash equivalents	\$ 370,774	\$ 228,275	\$ -	\$ 599,049
Cash, restricted guardianship accounts	3,677,328	-	-	3,677,328
Accounts receivable	1,075,458	-	-	1,075,458
Due from affiliate	69,188	-	(69,188)	-
Prepaid expenses	33,168	1,433	(6,000)	28,601
Investments	524,563	2,234,636	-	2,759,199
Property and equipment, less accumulated depreciation	227,060	1,306,392	-	1,533,452
Total assets	\$ 5,977,539	\$ 3,770,736	\$ (75,188)	\$ 9,673,087
Liabilities				
Accounts payable	\$ 480,595	\$ -	\$ -	\$ 480,595
Accrued expenses and other payables	158,032	-	-	158,032
Customer deposits - private care services	2,675	-	-	2,675
Due to affiliate	-	69,188	(69,188)	-
Deferred revenue	102,937	143,884	-	246,821
Guardianship accounts liability	3,677,328	6,000	(6,000)	3,677,328
Long term capital leases	68,722	-	-	68,722
Mortgage payable	-	954,468	-	954,468
Total liabilities	4,490,289	1,173,540	(75,188)	5,588,641
Net Assets				
Without donor restrictions	398,997	1,523,743	-	1,922,740
With donor restrictions	1,088,253	1,073,453	-	2,161,706
Total net assets	1,487,250	2,597,196	-	4,084,446
Total liabilities and net assets	\$ 5,977,539	\$ 3,770,736	\$ (75,188)	\$ 9,673,087

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

Schedule II – Combining Statement of Activities
For the Year Ended September 30, 2022

Net Assets Without Donor Restrictions

	COA	Foundation	Elimination	Total
Support and revenues				
Federal financial assistance	\$ 2,048,967	\$ -	\$ -	\$ 2,048,967
State financial assistance	2,931,089	-	-	2,931,089
In-kind services	934,661	4	-	934,665
Local contributions, donations and bequests	503,753	80,750	(236,512)	347,991
Local government assistance	354,310	-	-	354,310
Special events and other	45,097	122,514	(108,174)	59,437
Project and contract income	187,675	-	-	187,675
Private care services	346,249	-	-	346,249
Investment (loss) income	(82,864)	(231,465)	-	(314,329)
Gain (loss) on disposal of property and equipment	-	-	-	-
Total support and revenues	7,268,937	(28,197)	(344,686)	6,896,054
Released from restrictions	80,311	81,143	-	161,454
Total unrestricted support and revenues	7,349,248	52,946	(344,686)	7,057,508
Expenses				
Program expenses				
Program services	7,515,889	236,512	(329,565)	7,422,836
Support expenses	-			
General, non-allocable, and fundraising	259,746	165,160	(15,121)	409,785
Total expenses	7,775,635	401,672	(344,686)	7,832,621
Change in net assets without donor restrictions	(426,387)	(348,726)	-	(775,113)
Net Assets With Donor Restrictions				
Contributions				
Investment (loss) income	-	(134,249)	-	(134,249)
Other meals and service contributions	420,324	-	-	420,324
Total contributions	420,324	(134,249)	-	286,075
Released from restrictions	(80,311)	(81,143)	-	(161,454)
Change in net assets with donor restrictions	340,013	(215,392)	-	124,621
Change in total net assets	(86,374)	(564,118)	-	(650,492)
Net assets, beginning of period	1,573,624	3,161,314	-	4,734,938
Net assets, end of period	\$ 1,487,250	\$ 2,597,196	\$ -	\$ 4,084,446

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

Schedule III – Statement of Elder Services Program Expenses
For the Year Ended September 30, 2022

	Program Expenses							
	Adult Day Care	Case Aide	Case Management	Child Day Care	Chore	Congregate Meals	Congregate Meals Screening	Mental Health Counseling
Expenses								
Salaries and wages	\$ 5,922	\$ 86,235	\$ 339,757	\$ 2,399	\$ 37,772	\$ 79,927	\$ 9,291	\$ 902
Payroll taxes & employee benefits	1,298	18,894	67,718	526	6,435	20,282	2,157	180
Total salaries and related expenses	7,220	105,129	407,475	2,925	44,207	100,209	11,448	1,082
Travel- staff	18	259	6,987	7	7,032	1,973	106	19
Travel- volunteers	-	-	-	-	-	-	229	-
Education/training	1	9	19	-	-	46	3	-
Communications/postage	177	2,577	13,420	72	960	5,751	426	36
Utilities	77	1,126	3,549	31	10	587	109	9
Printing and supplies	319	4,646	5,624	129	3,549	3,502	458	15
Advertising and promotion	-	-	-	-	-	-	-	-
Insurance	127	1,850	4,397	51	614	1,674	219	12
Maintenance and repair	77	1,125	3,535	31	11	969	127	9
Building space	121	1,764	5,526	49	28	1,256	186	15
Equipment lease	7	103	240	3	36	55	9	1
Professional/legal/audit fees	392	5,707	3,884	159	512	4,312	600	10
Service contractors	97,440	-	8,013	20,662	-	-	-	31,460
Food and food supplies	-	-	-	-	-	164,953	-	-
Contributions	-	-	-	-	-	-	-	-
Other operating expenditures	525	7,652	5,812	213	97	4,912	720	15
In-kind services	-	12	18	-	-	56,640	-	-
Depreciation	284	4,139	12,936	115	1,251	2,903	416	34
Allocation of administrative costs	7,270	43,040	72,271	2,888	8,163	22,243	-	3,495
Total expenses	114,055	179,138	553,706	27,335	66,470	371,985	15,056	36,212
Units of Service - Council on Aging	-	3,797	10,471	2,169	672	39,779	288	-
Units of Service - 3rd Party Vendor	1,281	-	-	-	-	-	-	519
	1,281	3,797	10,471	2,169	672	39,779	288	519

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

Schedule III – Statement of Elder Services Program Expenses (continued)

For the Year Ended September 30, 2022

	Program Expenses							
	Education/ Training	Emergency Alert Response	Home Delivered Meals	Homemaker	Housing Improvement	Nutrition Counseling	Nutrition Education	Personal Care
Expenses								
Salaries and wages	\$ 8,287	\$ 8,242	\$ 251,096	\$ 283,821	\$ -	\$ 939	\$ 1,988	\$ 294,992
Payroll taxes & employee benefits	1,547	1,806	68,858	80,491	-	257	545	80,930
Total salaries and related expenses	9,834	10,048	319,954	364,312	-	1,196	2,533	375,922
Travel- staff	75	25	9,583	21,880	-	36	76	19,219
Travel- volunteers	-	-	26,075	-	-	97	206	-
Education/training	1	1	200	-	-	1	2	-
Communications/postage	227	246	24,321	826	-	91	193	3,303
Utilities	69	108	1,925	158	-	7	15	667
Printing and supplies	377	444	8,738	493	-	33	69	1,730
Advertising and promotion	12	-	-	-	-	-	-	-
Insurance	177	177	7,598	9,380	-	28	60	8,787
Maintenance and repair	70	108	3,939	157	-	15	31	661
Building space	113	169	4,652	253	-	17	37	1,039
Equipment lease	10	10	115	18	-	-	1	57
Professional/legal/audit fees	432	545	14,955	5,422	-	56	118	5,119
Service contractors	-	68,578	-	22,719	12,611	6,319	-	7,495
Food and food supplies	-	-	1,061,843	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Other operating expenditures	642	731	10,450	818	-	39	83	3,522
In-kind services	-	-	740,857	1	-	-	-	4
Depreciation	400	396	8,633	919	-	32	68	2,642
Allocation of administrative costs	568	6,983	187,196	59,845	1,763	-	883	71,072
Total expenses	13,007	88,569	2,431,034	487,201	14,374	7,967	4,375	501,239
Units of Service - Council on Aging	124	-	-	15,780	-	-	2,775	15,143
Units of Service - 3rd Party Vendor	-	74,463	208,333	-	-	144	-	-
	124	74,463	208,333	15,780	-	144	2,775	15,143

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

Schedule III – Statement of Elder Services Program Expenses (continued)

For the Year Ended September 30, 2022

	Program Expenses							Total
	Respite (Facility Based)	Respite (In-home)	Screening and Assessment	Transportation	Specialized Services and Supplies	Other Services		
Expenses								
Salaries and wages	\$ 52,910	\$ 166,157	\$ 42,905	\$ 16,555	\$ -	\$ 15,770	\$ 1,705,867	
Payroll taxes & employee benefits	14,996	47,706	6,660	3,627	-	3,409	428,322	
Total salaries and related expenses	67,906	213,863	49,565	20,182	-	19,179	2,134,189	
Travel- staff	3,395	13,417	588	50	-	55	84,800	
Travel- volunteers	-	-	-	-	-	-	26,607	
Education/training	-	-	1	1	-	1	286	
Communications/postage	606	1,860	1,921	495	-	453	57,961	
Utilities	118	19	225	216	-	201	9,226	
Printing and supplies	317	83	911	892	-	9,489	41,818	
Advertising and promotion	-	-	-	-	-	-	12	
Insurance	1,576	7,504	943	355	-	328	45,857	
Maintenance and repair	117	21	225	216	-	198	11,642	
Building space	183	71	352	339	-	312	16,482	
Equipment lease	12	4	53	20	-	17	771	
Professional/legal/audit fees	922	4,737	1,178	1,095	-	1,015	51,170	
Service contractors	358,748	56,066	291	352,723	302,137	65,301	1,410,563	
Food and food supplies	-	-	-	-	-	-	1,226,796	
Contributions	-	-	-	-	-	-	-	
Other operating expenditures	623	97	893	1,469	-	1,607	40,920	
In-kind services	-	-	1	-	-	12,432	809,965	
Depreciation	933	374	1,714	794	-	733	39,716	
Allocation of administrative costs	14,414	37,622	4,152	5,833	1,456	6,112	557,269	
Total expenses	449,870	335,738	63,013	384,680	303,593	117,433	6,566,050	
Units of Service - Council on Aging	-	11,974	1,150	-	-	-	N/A	
Units of Service - 3rd Party Vendor	40,263	-	-	18,352	-	-	N/A	
	40,263	11,974	1,150	18,352	-	-	N/A	

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