



SENIOR RESOURCE ASSOCIATION, INC.

Financial Statements and Single Audit Reports

June 30, 2023

(With Independent Auditors' Report Thereon)

SENIOR RESOURCE ASSOCIATION, INC.

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June 30, 2023

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Independent Auditors' Report

The Board of Directors
Senior Resource Association, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Senior Resource Association, Inc., which comprise the statement of financial position as of June 30, 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of Senior Resource Association, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Senior Resource Association, 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.

Change in Accounting Principle

As discussed in Note 2(h) to the financial statements, during the year ended June 30, 2023 and as retrospectively applied to the year ended June 30, 2022, the Association adopted new accounting guidance for accounting for leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Senior Resource Association, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

(Continued)



Auditor's Responsibility 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. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Supplementary Information

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

(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2023, on our consideration of the Senior Resource Association, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Senior Resource Association, Inc.'s internal control over financial reporting or on compliance. That report is an integral part on an audit performed in accordance with *Government Auditing Standards* in considering the Senior Resource Association, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements, referred to above, from which it has been derived.

Jacoby and Handrup, PLLC

December 13, 2023

SENIOR RESOURCE ASSOCIATION, INC.

Statement of Financial Position

June 30, 2023

(with summarized information as of June 30, 2022)

<u>Assets</u>	<u>Without Donor Restrictions</u>	<u>2023 With Donor Restrictions</u>	<u>Totals</u>	<u>2022 Totals</u>
Current assets:				
Cash and cash equivalents	\$ 1,197,747	530,753	1,728,500	946,431
Grants receivable	1,452,950	—	1,452,950	1,957,007
Contributions receivable	91,800	—	91,800	194,359
Accounts receivable, net of allowance for doubtful accounts of \$22,600 and \$7,000, respectively	35,946	—	35,946	14,709
Prepaid expenses	252,791	—	252,791	211,651
Other assets	92,973	—	92,973	49,122
Total current assets	<u>3,124,207</u>	<u>530,753</u>	<u>3,654,960</u>	<u>3,373,279</u>
Assets restricted for capital projects	—	67,121	67,121	12,121
Assets restricted for endowment	—	381	381	381
Endowment investments (note 4)	—	47,252	47,252	43,252
Property and equipment, net (note 5)	1,362,690	2,559,309	3,921,999	4,258,391
Right-of-use assets (note 8)	90,573	—	90,573	139,566
Contributed use of facilities (note 6)	—	533,520	533,520	78,277
Deposits	7,095	—	7,095	7,095
Total assets	<u>\$ 4,584,565</u>	<u>3,738,336</u>	<u>8,322,901</u>	<u>7,912,362</u>
<u>Liabilities and Net Assets</u>				
Current liabilities:				
Note payable under line of credit (note 7)	—	—	—	—
Current portion of lease liabilities (note 8)	50,870	—	50,870	48,128
Accounts payable	665,276	—	665,276	617,308
Accrued expenses	281,693	—	281,693	212,326
Other liabilities	668	—	668	4,614
Total current liabilities	<u>998,507</u>	<u>—</u>	<u>998,507</u>	<u>882,376</u>
Lease liabilities, noncurrent (note 8)	43,448	—	43,448	94,318
Total liabilities	<u>1,041,955</u>	<u>—</u>	<u>1,041,955</u>	<u>976,694</u>
Net assets:				
Without donor restrictions:	3,542,610	—	3,542,610	3,442,886
With donor restrictions (note 11)	—	3,738,336	3,738,336	3,492,782
Total net assets	<u>3,542,610</u>	<u>3,738,336</u>	<u>7,280,946</u>	<u>6,935,668</u>
Total liabilities and net assets	<u>\$ 4,584,565</u>	<u>3,738,336</u>	<u>8,322,901</u>	<u>7,912,362</u>

See accompanying notes to financial statements.

SENIOR RESOURCE ASSOCIATION, INC.

Statement of Activities

Year ended June 30, 2023

(with summarized information for the year ended June 30, 2022)

	Without Donor Restrictions	2023 With Donor Restrictions	Totals	2022 Totals
Revenues and other support:				
Government fees and grants – operating	\$ 11,105,548	–	11,105,548	9,103,012
Government fees and grants – capital	–	357,440	357,440	515,249
Contributions of cash and financial assets	502,492	433,564	936,056	905,477
Contributions of nonfinancial assets	–	733,700	733,700	–
Program service fees	331,933	–	331,933	304,673
Fundraising, net of direct costs of \$77,345 and \$130,061 respectively	460,447	–	460,447	240,904
Investment return, net	7,540	4,000	11,540	(5,853)
Other revenue	11,328	–	11,328	663
Loss on disposal of equipment	(1,856)	–	(1,856)	(21,945)
	<u>12,417,432</u>	<u>1,528,704</u>	<u>13,946,136</u>	<u>11,042,180</u>
Net assets released from restrictions	<u>1,283,150</u>	<u>(1,283,150)</u>	<u>–</u>	<u>–</u>
Total revenues and other support	<u>13,700,582</u>	<u>245,554</u>	<u>13,946,136</u>	<u>11,042,180</u>
Expenses:				
Program services:				
Transportation	8,090,371	–	8,090,371	6,504,828
Adult enrichment and respite	747,804	–	747,804	734,446
Senior support services	1,436,066	–	1,436,066	1,385,280
Meals on Wheels	1,141,032	–	1,141,032	1,140,451
Public guardian program	178,199	–	178,199	135,287
Total program services	<u>11,593,472</u>	<u>–</u>	<u>11,593,472</u>	<u>9,900,292</u>
Supporting services:				
Management and general	1,590,953	–	1,590,953	1,309,354
Fund raising	416,433	–	416,433	408,259
Total supporting services	<u>2,007,386</u>	<u>–</u>	<u>2,007,386</u>	<u>1,717,613</u>
Total expenses	<u>13,600,858</u>	<u>–</u>	<u>13,600,858</u>	<u>11,617,905</u>
Change in net assets	99,724	245,554	345,278	(575,725)
Net assets at beginning of year, as previously reported	3,445,766	3,492,782	6,938,548	7,511,393
Effect of change in lease accounting, note 2(h)	(2,880)	–	(2,880)	–
Net assets at beginning of year, as restated	<u>3,442,886</u>	<u>3,492,782</u>	<u>6,935,668</u>	<u>7,511,393</u>
Net assets at end of year	\$ <u>3,542,610</u>	<u>3,738,336</u>	<u>7,280,946</u>	<u>6,935,668</u>

See accompanying notes to financial statements.

SENIOR RESOURCE ASSOCIATION, INC.

Statement of Functional Expenses

Year ended June 30, 2023
(with summarized information for the year ended June 30, 2022)

		Program Services Adult enrichment and respite	Senior support services	Meals on Wheels
	<u>Transportation</u>			
Salaries and wages	\$ 2,249,079	361,979	211,723	271,967
Fringe benefits	168,357	39,036	29,822	36,331
Payroll taxes	191,416	30,213	17,376	23,139
Employment expenses	76,218	11,187	6,513	25,387
Retirement	49,619	9,360	6,745	6,572
Total employee related	<u>2,734,689</u>	<u>451,775</u>	<u>272,179</u>	<u>363,396</u>
Subcontract services	2,447,759	12,345	—	—
Client expenses	292	—	1,061,745	—
Maintenance	644,611	8,887	8,722	19,217
Fuel	687,056	—	285	6,472
Meals	—	12,211	—	621,522
Professional fees	170,926	12,724	9,490	13,616
Occupancy	317,024	43,457	13,287	16,206
Insurance	216,808	25,269	4,010	16,707
Supplies	36,768	25,556	32,723	30,347
Fundraising expense	—	—	—	—
Advertising	47,543	15,202	6,700	4,336
Utilities	21,253	22,334	4,228	7,331
Telephone	12,997	1,921	5,430	4,499
Dues	17,288	1,144	907	1,524
Equipment	9,558	1,683	1,008	3,325
Allowance for doubtful accounts	—	8,253	8,253	1,895
Community outreach	8,852	2,568	2,393	2,515
Travel	166	602	1,712	709
Printing	6,558	1,549	237	1,477
Postage	5,056	488	659	584
Licenses and fees	2,373	846	—	1,120
Interest expense and bank charges	1	249	284	484
	<u>7,387,578</u>	<u>649,063</u>	<u>1,434,252</u>	<u>1,117,282</u>
Depreciation and amortization	<u>702,793</u>	<u>98,741</u>	<u>1,814</u>	<u>23,750</u>
Total expenses	\$ <u>8,090,371</u>	<u>747,804</u>	<u>1,436,066</u>	<u>1,141,032</u>

See accompanying notes to financial statements.

		<u>Supporting Services</u>					
<u>Public guardian program</u>		<u>Total</u>	<u>Management and general</u>	<u>Fund raising</u>	<u>2023 Total</u>	<u>2022 Total</u>	
\$	82,935	3,177,683	870,016	159,398	4,207,097	3,937,369	
	10,216	283,762	90,598	18,004	392,364	437,261	
	6,901	269,045	66,135	12,734	347,914	323,066	
	16,004	135,309	25,996	6,861	168,166	126,046	
	<u>2,445</u>	<u>74,741</u>	<u>26,500</u>	<u>4,588</u>	<u>105,829</u>	<u>97,976</u>	
	118,501	3,940,540	1,079,245	201,585	5,221,370	4,921,718	
	—	2,460,104	4,702	—	2,464,806	1,289,972	
	—	1,062,037	—	—	1,062,037	1,098,795	
	1,815	683,252	36,578	15,955	735,785	605,554	
	—	693,813	—	—	693,813	674,042	
	—	633,733	—	—	633,733	707,543	
	29,086	235,842	249,465	72,547	557,854	262,567	
	5,587	395,561	65,586	14,689	475,836	408,839	
	9,850	272,644	56,376	—	329,020	316,905	
	1,178	126,572	7,630	1,061	135,263	125,030	
	—	—	—	98,008	98,008	23,175	
	2,552	76,333	14,534	1,243	92,110	95,723	
	1,248	56,394	12,247	515	69,156	60,777	
	1,186	26,033	14,325	1,554	41,912	33,718	
	1,560	22,423	3,011	948	26,382	14,096	
	2,794	18,368	4,270	355	22,993	13,041	
	—	18,401	—	—	18,401	22,771	
	159	16,487	—	1,132	17,619	5,115	
	2,416	5,605	7,781	429	13,815	16,814	
	61	9,882	1,185	182	11,249	9,108	
	206	6,993	1,144	993	9,130	6,715	
	—	4,339	1,798	359	6,496	2,549	
	—	<u>1,018</u>	—	<u>4,729</u>	<u>5,747</u>	<u>6,480</u>	
	178,199	10,766,374	1,559,877	416,284	12,742,535	10,721,047	
	—	<u>827,098</u>	<u>31,076</u>	<u>149</u>	<u>858,323</u>	<u>896,858</u>	
\$	<u>178,199</u>	<u>11,593,472</u>	<u>1,590,953</u>	<u>416,433</u>	<u>13,600,858</u>	<u>11,617,905</u>	

SENIOR RESOURCE ASSOCIATION, INC.

Statement of Cash Flows

Year ended June 30, 2023

(with summarized information for the year ended June 30, 2022)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 345,278	(575,725)
Adjustments to reconcile change in net assets to net cash flows provided by (used in) operating activities:		
Depreciation	858,323	896,858
Amortization of contributed use of facilities	278,457	226,128
Grants and contributions restricted to capital projects	(412,440)	(515,249)
Provision for uncollectable accounts	15,600	(28,000)
Noncash contribution of leased asset	(733,700)	-
Noncash lease expense	865	2,880
(Gain) loss on investments, net	(4,000)	6,748
Loss on disposal of property and equipment	1,856	21,945
(Increase) decrease in:		
Grants receivable	504,057	(927,910)
Contributions receivable	102,559	1,500
Accounts receivable	(36,837)	40,103
Prepaid expenses	(41,140)	(11,383)
Other assets	(43,851)	1,047
Increase (decrease) in:		
Accounts payable	(51,545)	136,924
Accrued expenses	69,367	(140,766)
Refundable advances on conditional contributions	-	(99,104)
Other liabilities	(3,946)	(3,260)
Net cash provided by (used in) operating activities	<u>848,903</u>	<u>(967,264)</u>
Cash flows from investing activities:		
Purchase of investments	-	(50,000)
Purchase of property and equipment	(424,274)	(599,014)
Net cash used by investing activities	<u>(424,274)</u>	<u>(649,014)</u>
Cash flows from financing activities:		
Grants and contributions restricted to capital projects	412,440	515,249
Net cash provided by financing activities	<u>412,440</u>	<u>515,249</u>
Net increase (decrease) in cash and cash equivalents	837,069	(1,101,029)
Cash, cash equivalents, and restricted cash at beginning of year	<u>958,933</u>	<u>2,059,962</u>
Cash, cash equivalents, and restricted cash at end of year	\$ <u>1,796,002</u>	<u>958,933</u>
Noncash investing and financing activities:		
Accounts payable for purchases of property and equipment	\$ <u>99,513</u>	<u>---</u>

See accompanying notes to financial statements.

SENIOR RESOURCE ASSOCIATION, INC.

Notes to Financial Statements

June 30, 2023

(1) *Organization*

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

(2) *Summary of Significant Accounting Policies*

(a) *Basis of Presentation*

The Association presents its financial statements in accordance with ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. Topic 958 addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return.

To ensure observance of limitations and restrictions placed on the use of resources available to the Association, the accounts of the Association are maintained in accordance with the principles of fund accounting. This is the procedure by which resources are classified for accounting and reporting into funds established according to their nature and purpose and in accordance with activities or objectives specified by donors.

Fund balances and transactions have been classified into two classes of net assets – without donor restrictions or with donor restrictions as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. These net assets may be used at the discretion of the Association's management and Board of Directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

(Continued)

SENIOR RESOURCE ASSOCIATION, INC.

Notes to Financial Statements

(b) Revenue Recognition

Revenue from Contracts with Customers - Program Service Fees - Revenue from contracts with customers consists solely of program service fees and includes contracts with clients to provide adult enrichment, respite programs and nutrition services. Revenues for these services are recorded during the period, or at the point in time, obligations to provide services are satisfied. Performance obligations for adult enrichment and respite services are generally satisfied over time and revenues are recognized based on charges incurred in relation to total expected charges. Performance obligations for these services are generally satisfied by the Association over the duration of the program, typically a period of less than one day. Performance obligations for nutrition services are satisfied at the point in time the service is rendered. Contractual relationships with clients, in most cases involve a third-party payor (Medicare, Medicaid, managed care health plans, and commercial insurance plans) and the transactions prices for the services provided are dependent upon the terms provided by or negotiated with those third-party payors. Revenue recognized over time and at the point in time totaled \$223,374 and \$108,559, respectively, for the year ended June 30, 2023.

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

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

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

Contributions and Support Recognition - All contributions/donations are considered available for unrestricted use unless specifically restricted by the donor. Contributions/donations are considered restricted if a donor imposes a restriction that may be satisfied by the passage of time or the actions of the Association. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized

(Continued)

SENIOR RESOURCE ASSOCIATION, INC.

Notes to Financial Statements

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

Grant awards that are conditional contributions - Governmental fees and grants that qualify as support are recorded as grants receivable when the related allowable expenses or asset acquisition costs are incurred.

Grant awards that are exchange transactions - Revenue is recognized when control of the promised goods or services is transferred to the customer in an amount that reflects the consideration to which the entity expect to be entitled in exchange for those goods or services. There were no governmental fees and grants that were considered exchange transactions during the year ended June 30, 2023 or 2022.

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

Accounts Receivable - Accounts receivable consists of unsecured programs service fees. Receivables from individual payors are generally due upon presentation of the invoice. Receivables due from third-party payors are generally due in 30 to 60 days. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to the valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for doubtful accounts was \$22,600 and \$7,000 at June 30, 2023 and 2022, respectively.

(c) *Cash, Cash Equivalents, and Restricted Cash*

For purposes of the statements of cash flows, cash equivalents, and restricted cash include cash on hand, time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less. Temporary cash held in the Association's endowment investment fund is classified as investments and not considered to be cash for purposes of the statement of cash flows.

The Association presents restricted cash in accordance with FASB Statement ASU 2016-18, Statement of Cash Flows, which requires restricted cash to be included with cash and cash equivalents. Restricted cash consists of cash held for capital projects and the endowment fund of \$67,502 and \$12,502 as of June 30, 2023 and 2022.

(Continued)

SENIOR RESOURCE ASSOCIATION, INC.

Notes to Financial Statements

(d) Investments

Investments are reported at fair market value. Contributed investments are recorded at fair value on the date of the donation. Investment interest, dividends, gains and losses on sales of securities and unrealized gains are reflected in the statement of activities as unrestricted revenue except for the interest and dividends that are restricted by donor for use toward a particular purpose. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See note 2(e) for a discussion of fair value measurements.

(e) Fair Value Measurements

Financial Accounting Standards Board Topic 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Association has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

- Cash and cash equivalents – the carrying amounts, at face value or cost plus accrued interest, approximate fair value because of the short maturity and/or the market rates earned on these instruments. At June 30, 2023 and 2022, the Association's cash and cash equivalents were held in demand and money market accounts that were Level 1 fair value assets.
- Endowment investments – endowment investments, consisting of pooled funds with the Indian River Community Foundation, are valued using fair value information on the pooled funds' underlying investments, which are Level 3 investments.

(Continued)

SENIOR RESOURCE ASSOCIATION, INC.

Notes to Financial Statements

(f) Property and Equipment

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

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

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

(g) Contributed Use of Long-Lived Assets

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

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

(h) Leases

In February 2016, the Financial Accounting Standards Board issued ASC Topic 842, Leases, resulting in the recognition of right-of-use assets and lease liabilities on the balance sheet for all leases, including operating leases previously reflected as off-balance sheet transactions. The Association adopted Topic 842 effective July 1, 2022 and recognized and measured leases existing at July 1, 2021 (the earliest period presented herein) using a modified retrospective approach. All the Association's leases are treated as operating leases.

(Continued)

SENIOR RESOURCE ASSOCIATION, INC.

Notes to Financial Statements

As a result of the adoption of the new lease accounting guidance, the Company recognized on July 1, 2021 an operating lease right-of-use asset and related liability of \$187,874, representing the present value of the remaining operating lease payments discounted using risk-free interest rate of 1.47%. The effect on June 30, 2022 net income and retained earnings for the retrospective adjustment was \$2,880.

(i) Donated Services

The Association does not record donated services for any volunteers working in a nonprofessional capacity since the volunteers' time does not meet the criteria for recognition.

(j) Functional Allocation of Expenses

The Association allocates its expenses on a functional basis among its various programs or support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated based on an analysis of personnel time or square footage utilized for the related activities.

(k) Income Taxes

The Association is generally exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation under Section 509(a)(2) of the Internal Revenue Code. The Association previously had unrelated business income resulting from rental activities that resulted in taxable income. As of June 30, 2023, the Association has approximately \$175,000 of unused net operating loss carryforwards available to be applied to future taxable income that expire 2026 through 2035. These carryforwards are the result of rental activities, which ceased in 2015. Management has evaluated the realizability of these deferred income tax assets and has determined that they are not likely to be used as the Association does not anticipate generating future rental income against which these net operating loss carryforwards could be applied. Therefore, the Association has provided a 100% valuation allowance related to these deferred tax assets. The Association's income tax filings are subject to audit by various taxing authorities. The Association's open audit periods are 2020 – 2023.

(l) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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, support and expenses during the reporting period. Actual results could differ from those estimates.

(Continued)

SENIOR RESOURCE ASSOCIATION, INC.

Notes to Financial Statements

(m) Prior Period Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

(n) Reclassification

Certain 2022 amounts have been reclassified to conform to the 2023 presentation.

(3) Liquidity and Availability

The following represents the Association's financial assets as of June 30, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash and cash equivalents	\$ 1,796,002	958,933
Current receivables	<u>1,580,696</u>	<u>2,166,075</u>
Total financial assets	<u>3,376,698</u>	<u>3,125,008</u>
Less cash restricted for donor specified purposes:	<u>(598,255)</u>	<u>(478,414)</u>
Financial assets available to meet general expenditures during the next twelve months	\$ <u>2,778,443</u>	<u>2,646,594</u>

Financial assets are available for general expenditures within one year of the balance sheet date, other than noted above. Grants receivable subject to time restrictions are considered available as they will be collected within one year.

Additionally, the Association maintains a \$300,000 line of credit, as discussed in more detail in note 7, which is available to meet cash flow needs.

(4) Endowment Investments

The Association has engaged the Indian River Community Foundation (the Community Foundation) to accept charitable contributions on their behalf and invest those funds for a nominal administration fee. The Community Foundation maintains the investments as agent for the Association and, accordingly, the endowment investments have been presented in the accompanying financial statements.

(Continued)

SENIOR RESOURCE ASSOCIATION, INC.

Notes to Financial Statements

The Association has adopted Florida's Uniform Prudent Management of Institutional Funds Act (UPMIFA). Accordingly, the Association classifies amounts in its donor-restricted endowment as net assets with donor restrictions because those net assets are time restricted until the Board of Directors appropriates such amounts for expenditure. The net assets are also subjected to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions.

The Association has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to the endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Association considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of the initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Association has interpreted UPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law.

The Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The terms of the endowment agreement, which document contributor wishes
- The purposes of the Association and the donor-restricted endowment fund
- General economic conditions
- The possible effects of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Association
- Current investment policies

The endowment investment objective of the Association is to provide for the Association's long-term principal value of the investments and to support Association programming as budgeted and directed by the Board of Directors on an annual basis. The investment goals for the funds of the endowment are: meet the payout requirements of the endowment, provide sufficient liquidity to meet distribution requirements, and earn a reasonable return on investment. Investment goals and performance are to be computed net of investment management fees.

The Association's policy is to withhold distributions from the endowment investments until such time as the fund has accumulated sufficient funding for program investments.

SENIOR RESOURCE ASSOCIATION, INC.

Notes to Financial Statements

The following tables presents the Association's investments that are measured at fair value on a recurring basis at June 30, 2023 and 2022.

		June 30, 2023			
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Short term fixed income pool	\$	–	–	11,374	11,374
Intermediate fixed income pool		–	–	4,540	4,540
Domestic equity pool		–	–	20,993	20,993
International equity pool		–	–	8,094	8,094
Cash equivalents pool		<u>–</u>	<u>–</u>	<u>2,251</u>	<u>2,251</u>
Total investments	\$	<u>–</u>	<u>–</u>	<u>47,252</u>	<u>47,252</u>

		June 30, 2022			
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Short term fixed income pool	\$	–	–	11,315	11,315
Intermediate fixed income pool		–	–	4,493	4,493
Domestic equity pool		–	–	18,056	18,056
International equity pool		–	–	7,135	7,135
Cash equivalents pool		<u>–</u>	<u>–</u>	<u>2,253</u>	<u>2,253</u>
Total investments	\$	<u>–</u>	<u>–</u>	<u>43,252</u>	<u>43,252</u>

The following table summarizes activity in the endowment fund's Level 3 pooled funds during the years ended June 30, 2023 and 2022:

		<u>2023</u>	<u>2022</u>
Balance as of beginning of year	\$	43,252	–
Contributions received		–	50,000
Investment earnings (loss) during the year		<u>4,000</u>	<u>(6,748)</u>
Total investments as of end of year	\$	<u>47,252</u>	<u>43,252</u>

(Continued)

SENIOR RESOURCE ASSOCIATION, INC.

Notes to Financial Statements

(5) Property and Equipment

As of June 30, 2023 and 2022, the Association's property and equipment consisted of the following:

	<u>2023</u>	<u>2022</u>
Land	\$ 217,101	217,101
Building and improvements	2,672,079	2,567,760
Building and improvements – FTA restricted	567,387	443,363
Vehicles	873,062	654,812
Vehicles - title restricted	4,353,001	4,806,165
Furniture and computer equipment	718,955	660,177
Furniture and computer equipment - FTA restricted	<u>1,994,175</u>	<u>1,856,968</u>
	11,395,760	11,206,346
Less accumulated depreciation	<u>7,473,761</u>	<u>6,947,955</u>
	<u>\$ 3,921,999</u>	<u>4,258,391</u>

Depreciation expense amounted to \$858,323 and \$896,858 during the years ended June 30, 2023 and 2022, respectively.

The cost of vehicles, improvements and equipment contributed to the Association for their use amounted to \$6,914,563 at June 30, 2023, and was originally acquired under Federal Transit Administration (FTA) or Florida Department of Transportation (FDOT) grants awarded to the County in the current and prior years. Disposal of restricted vehicles and equipment with individual values greater than \$5,000, or disposed of before the end of service lives, requires reimbursement of the sales proceeds to the granting agency in an amount proportionate to its original percentage participation in the grant. Alternatively, the proceeds may be used to offset the cost of replacement equipment subject to the approval of the granting agency. The net book value at June 30, 2023 and 2022 of vehicles, improvements and equipment acquired under FTA and FDOT grants totaled \$2,559,309 and \$2,892,839, respectively.

(6) Contributed Use of Facilities

The Association leases land and buildings from the County under an agreement that terminates on June 30, 2025 and provides for a total rental of \$9 due in advance. The lease is cancelable in the event the Association ceases acting as the County's Transit Service Provider under its transportation operations.

The Association subleases additional land and buildings from the County under a lease agreement that terminates on June 30, 2025 and provides for a total rental of \$8 due in advance. The lease is cancelable in the event the Association ceases acting as the County's Transit Service Provider under its transportation operations.

(Continued)

SENIOR RESOURCE ASSOCIATION, INC.

Notes to Financial Statements

The Association has recorded a multiyear contributed use of facilities asset from the County for the difference between the fair value rental value of the land and buildings and the stated amount of the lease payments. Both leases were renewed for additional periods of time during the year ended June 30, 2023, and as a result the Association recognized contributions and related assets totaling \$733,700. The asset is amortized over the period of the leases. Amortization of the contributed use of facilities asset totaled \$278,457 during the year ended June 30, 2023. The use of facilities is restricted for specified purposes by the County.

(7) Line of Credit

The Association maintains a \$300,000 line of credit. The line bears interest at prime (8.25% and 4.75% at June 30, 2023 and 2022, respectively) and is due on demand. The line of credit agreement has no stated maturity date and requires an annual thirty-day resting period with a zero balance prior to each anniversary date of the loan. As of June 30, 2023 and 2022, there is no outstanding balance on the line of credit.

(8) Leases

The Association leases a facility for its operations and certain equipment under operating lease agreements. Future minimum lease payments under non-cancelable operating leases, including options to extend where reasonably certain to be extended, as of June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Operating lease obligations:		
2024	\$ 51,916	
2025	<u>43,758</u>	
Total future minimum lease payments	95,674	146,611
Less imputed interest cost	<u>1,356</u>	<u>4,165</u>
Total operating lease liability	94,318	142,446
Less current portion	<u>50,870</u>	<u>48,128</u>
Total operating lease liability, noncurrent	\$ <u>43,448</u>	<u>94,318</u>
Weighted average remaining lease term - years	<u>1.85</u>	<u>2.83</u>
Weighted average discount rate	<u>1.47%</u>	<u>1.47%</u>
Unamortized right-of-use assets	\$ <u>90,573</u>	<u>139,566</u>

(Continued)

SENIOR RESOURCE ASSOCIATION, INC.

Notes to Financial Statements

Total rent expense for facilities and equipment for 2023 and 2022 was as follows:

	<u>2023</u>	<u>2022</u>
Operating lease costs	\$ 50,937	47,886
Variable lease costs	2,720	2,589
Short-term and other lease costs	6,426	823
Amortization of right-of-use assets	<u>865</u>	<u>2,880</u>
Total rent expense	\$ <u>60,948</u>	<u>54,178</u>

(9) Contingencies

The Association has received federal and state grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal and state regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the Association. No provision for any liability that may result has been recognized in the Association's financial statements, as management has determined that any such liability significant.

(10) Governmental Fees and Grants

The Association received governmental grants during the years ended June 30, 2023 and 2022 under the following programs:

	<u>2023</u>	<u>2022</u>
Area Agency on Aging Grants:		
Community Care for the Elderly	\$ 701,300	670,234
Home Care for the Elderly	48,759	35,640
Alzheimer's Disease Initiative	377,872	346,271
Nutrition Services Incentive Program (NSIP)	36,588	64,109
Special Programs for the Aging:		
Title III B - Support Services	230,953	270,323
Title III C - Congregate and Home Delivered Meals	501,499	554,321
Title III E - Caregiver Support Services	73,167	131,963
Emergency Home Energy Assistance	71,362	95,445
Florida Department of Elder Affairs:		
Public Guardian Program	177,965	177,992
Florida Commission for the Transportation Disadvantaged:		
Disadvantaged Trip and Equipment Grant Program	677,581	709,515
Innovation and Service Development Grant	1,698,823	—

(Continued)

SENIOR RESOURCE ASSOCIATION, INC.

Notes to Financial Statements

	<u>2023</u>	<u>2022</u>
Federal Department of Transportation Grants:		
Federal Transit Capital Assistance	1,217,519	984,452
Federal Transit Operating Assistance	2,044,206	436,796
Federal Transit CARES Act Assistance	1,096,946	2,892,677
Public Transportation for Nonurbanized Areas	234,115	277,143
Florida Department of Transportation Grants:		
Block Grants	517,459	165,200
Service Development Grants	93,600	206,100
Transit Corridor Development Program	114,000	104,500
Florida Developmental Disabilities Council:		
Transportation Voucher Replication Project	37,199	146,617
Indian River County Hospital District:		
Public Guardian, Emergency Meals on Wheels Grant and Emergency Alert Response System	374,749	135,036
Other governmental agencies:		
Indian River County	814,261	1,139,396
Martin County	94,142	48,120
St. Lucie County	196,493	-
Indiantown	<u>32,430</u>	<u>26,411</u>
Total governmental fees and grants	\$ <u>11,462,988</u>	\$ <u>9,618,261</u>

As of June 30, 2023, the Association had \$3,473,707 in unearned operating revenues, and \$6,324,008 in unearned capital revenues available for future expenditures under these grants through June 30, 2024.

(11) Net Assets With Donor Restrictions

Net Assets with donor restrictions as of June 30, 2023 and 2022 are available for the following specific purposes:

	<u>2023</u>	<u>2022</u>
Vehicle and equipment - title restricted	\$ 2,559,309	2,892,839
Guardianship program	221,743	221,976
Meals on Wheels programs	298,560	179,763
Contributed use of facilities	533,520	78,277
Dayaway scholarships	-	54,198
Capital projects	67,121	12,121
Music Therapy	10,450	9,975
Endowment	<u>47,633</u>	<u>43,633</u>
Total	\$ <u>3,738,336</u>	\$ <u>3,492,782</u>

(Continued)

SENIOR RESOURCE ASSOCIATION, INC.

Notes to Financial Statements

Net Assets were released from donor restrictions by incurring expenses or by otherwise satisfying restrictions during the years ended June 30, 2023 and 2022 related to the following:

	<u>2023</u>	<u>2022</u>
Vehicle and equipment - title restricted	\$ 690,970	720,655
Guardianship program	25,233	146,514
Meals on Wheels programs	99,703	122,252
Contributed use of facilities	278,457	226,128
Dayaway scholarships	145,198	46,371
Music Therapy	9,525	6,125
Other	<u>34,064</u>	<u>28,243</u>
Total	\$ <u>1,283,150</u>	<u>1,296,288</u>

(12) Contributed Nonfinancial Assets

For the years ended June 30 2023 and 2022, contributed nonfinancial assets recognized within the statement of activities included:

	<u>2023</u>	<u>2022</u>
Use of facilities	\$ <u>733,700</u>	<u>—</u>
Total	<u>733,700</u>	<u>—</u>

The Association recognized contributed nonfinancial assets within revenue. During the year ended June 30, 2023, this included the contributed use of facilities from Indian River County as further discussed in note 6.

(13) Retirement Plan

The Association has established a tax sheltered annuity plan for the benefit of its employees in accordance with Section 403(b) of the Internal Revenue Code. Under the plan, a contribution is made to the account of each participating employee, based on their compensation. Employer contributions represent a 50% match of the employee contribution, up to a maximum of 4% of the employee's wages. Employees can request that an additional voluntary deduction from their wages be contributed to the plan. Employees hired on or after October 1, 2007 vest in employer contributions over a five year vesting schedule.

For the years ended June 30, 2023 and 2022, the Association contributed \$105,830 and \$97,977, respectively, on behalf of the employees.

(Continued)

SENIOR RESOURCE ASSOCIATION, INC.

Notes to Financial Statements

(14) Subsequent Events

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition of disclosure through December 13, 2023, the date the financial statements were available to be issued.

Subsequent to June 30, 2023, the Association was awarded the following grants:

Indian River County Hospital District – Public Guardian Program, Emergency Meals on Wheels, EARS Program, and Meals on Wheels Waitlist	\$ 1,254,874
Indian River County – (October 1, 2023 to September 30, 2024)	1,181,410
Community Care for the Elderly 2023/24 annual award (July 1, 2023 to June 30, 2024 grant period)	793,980
Home Care for the Elderly 2023/24 annual award (July 1, 2023 to June 30, 2024 grant period)	109,640
Alzheimer's Disease Initiative 2023/24 annual award (July 1, 2023 to June 30, 2024 grant period)	534,887
Florida Commission for the Transportation Disadvantaged Trip and Equipment Grant Program (July 1, 2023 to June 30, 2024 grant period) – Indian River County	367,387
Florida Commission for the Transportation Disadvantaged Trip and Equipment Grant Program (July 1, 2022 to June 30, 2023 grant period) – Martin County	294,468
Florida Commission for the Transportation Disadvantaged Innovative Service Development Grant Program (July 1, 2023 to June 30, 2024 grant period) - Indian River and Saint Lucie Counties	1,350,000
Florida Commission for the Transportation Disadvantaged Innovative Service Development Grant Program (July 1, 2023 to June 30, 2024 grant period) – Martin County	<u>675,000</u>
Total grants	\$ <u>6,561,646</u>

**Independent Auditors' Report on Internal Control over
Financial Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

The Board of Directors
Senior Resource Association, 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 Senior Resource Association, Inc. (the Association), which comprise the statement of financial position as of June 30, 2023 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 13, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Association'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 Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

(Continued)



Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jacoby and Handberg, PLLC

December 13, 2023



**Independent Auditors' Report on Compliance for
Each Major Federal Program And Major State Project and on
Internal Control over Compliance in Accordance with the Uniform Guidance
and Chapter 10.650, Rules of the Auditor General of the State of Florida**

The Board of Directors
Senior Resource Association, Inc.:

Report on Compliance for each Major Federal Program and Major State Project

Opinion on each Major Federal Program and Major State Project

We have audited Senior Resource Association, Inc.'s (the Association) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on the Association's major federal program and major state projects for the year ended June 30, 2023. The Association's major federal program and major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Association complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2023.

Basis for Opinion on each Major Federal Program and Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (Government Auditing Standards); the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, *Rules of the Auditor General* (Chapter 10.650). Our responsibilities under those standards, the 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 Association 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 the major federal program and each state project. Our audit does not provide a legal determination of the Association'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 Association's federal programs and state projects.

(Continued)

Auditor's Responsibility 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 Association's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650 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 Association's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650 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 Association'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 Association'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 Association'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 and state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program and 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 and 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.

(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.

Jacoby and Handberg, PLLC

December 13, 2023

SENIOR RESOURCE ASSOCIATION, INC.

Schedule of Expenditures of Federal Awards and State Projects

Year ended June 30, 2023

<u>Federal/State Agency Federal Award/State Project</u>	<u>ALN/ CSFA No.</u>	<u>Grant No.</u>	<u>Total Expenditures</u>
U.S. Department of Health and Human Services:			
Pass-through from Florida Department of Elder Affairs, Area Agency on Aging:			
Aging Cluster:			
Older Americans Act - Nutrition Services	93.053	IA022-9300	\$ 14,906
Incentive Program (NSIP)	93.053	IA023-9300	21,682
Older Americans Act – Title III B – Support Services	93.044	IA022-9300	60,734
	93.044	IA023-9300	137,281
COVID 19 - Older Americans Act – Title III B – Support Services	93.044	IRP22-9300	32,938
COVID 19 - Older Americans Act – Title III B – Expanding Access to COVID-19 Vaccines via the Aging Network	93.044	ICV21-9300	13,625
Older Americans Act - Title III C1 – Congregate Meals	93.045	IA022-9300	12,213
	93.045	IA023-9300	49,179
Older Americans Act - Title III C2 – Home Delivered Meals	93.045	IA022-9300	33,604
	93.045	IA023-9300	144,359
COVID-19 - Older Americans Act - Title III C - Nutrition Services	93.045	CARES Act CA3C	61,266
	93.045	IRP22-9300	32,441
COVID-19 - Older Americans Act - Title III C2 - Home Delivered Meals	93.045	ICV21-9300	23,079
	93.045	IRP22-9300	<u>131,733</u>
Total Aging Cluster			769,040
Older Americans Act - Title III E - Caregiver Support Services	93.052	IA022-9300	25,242
	93.052	IA023-9300	40,039
COVID - 19 - Older Americans Act - Title III E - Caregiver Support Services	93.052	IRP22-9300	7,886
Emergency Home Energy Assistance for the Elderly Program	93.568	IP021-9300	67,215
COVID - 19 - Emergency Home Energy Assistance for the Elderly Program	93.568	IPP21-9300 (ARP)	4,147
Pass-through from Florida Developmental Disabilities Council:			
Transportation Voucher Replication Project	93.630	1043TRP20	<u>37,199</u>
Total U.S. Department of Health and Human Services			<u>950,768</u>

* - denotes major program

(Continued)

SENIOR RESOURCE ASSOCIATION, INC.

Schedule of Expenditures of Federal Awards and State Projects, Continued

Year ended June 30, 2023

Federal/State Agency Federal Award/State Project	ALN/ CSFA No.	Grant No.	Total Expenditures
U.S. Department of Transportation			
Pass-through from Indian River County, Florida:			
Federal Transit Cluster:			
Federal Transit Capital and Operating Assistance (Section 5307)*	20.507	FL-90	\$ 51,551
COVID-19 - Federal Transit Capital and Operating Assistance (Section 5307)*	20.507	FL-2022-013-00	744,980
Federal Transit Capital and Operating Assistance (Section 5307)*	20.507	FL-2022-055-00	1,299,226
Federal Transit Capital and Operating Assistance (Section 5307)*	20.507	FL-2023	502,562
Bus and Bus Facilities Formula Grants (Section 5339)*	20.526	FL-2019-045-00	174,004
Bus and Bus Facilities Formula Grants (Section 5339)*	20.526	FL-2022-055-00	489,402
COVID-19 – Federal Operations CARES Act*	20.507	FL-2020-075-00	<u>1,096,946</u>
Total Federal Transit Cluster			<u>4,358,671</u>
Transit Services Program Cluster:			
Public Transportation for Nonurbanized Areas (Section 5310)	20.513	None	5,610
	20.513	G1W66	27,350
	20.513	G2770	50,000
	20.513	G2737	<u>5,080</u>
Total Transit Services Program Cluster			<u>88,040</u>
Public Transportation for Nonurbanized Areas (Section 5311)	20.509	G1V00	64,451
COVID-19 - Public Transportation for Nonurbanized Areas (Section 5311)	20.509	5311 CARES Act (G1L75)	<u>81,624</u>
Total U.S. Department of Transportation			<u>4,592,786</u>
Total expenditures of Federal awards			<u>5,543,554</u>
Florida Department of Elder Affairs:			
Pass-through from Area Agency on Aging:			
Community Care for the Elderly	65.010	IC022-9300	701,300
Home Care for the Elderly	65.001	IH022-9300	48,759
Alzheimer's Disease Initiative	65.004	IZ022-9300	377,872
Public Guardian Program	65.003	X9271	<u>177,965</u>
Total Florida Department of Elder Affairs			<u>1,305,896</u>

(Continued)

SENIOR RESOURCE ASSOCIATION, INC.

Schedule of Expenditures of Federal Awards and State Projects

Year ended June 30, 2023

Federal/State Agency <u>Federal Award/State Project</u>	ALN/ CSFA <u>No.</u>	Grant <u>No.</u>	<u>Total Expenditures</u>
Florida Department of Transportation:			
Florida Commission for the Transportation			
Disadvantaged Trip and Equipment Grant	55.001	G2A15	\$ 377,430
Program*	55.001	G2A28	300,151
Innovative Service Development Grant*	55.045	G2L84	1,151,688
	55.045	G2B14	547,135
Public Transit Block Grant Program	55.010	G1F69	6,774
	55.010	G1U60	510,685
Public Transit Service Development Program	55.012	G1M90	93,600
Transit Corridor Development Program	55.013	G1650	<u>114,000</u>
Total Florida Department of Transportation			<u>3,101,463</u>
Total expenditures of State Projects			<u>4,407,359</u>
Total expenditures of Federal Awards and State Projects			\$ <u>9,950,913</u>

* - denotes major program

See accompanying notes to schedule of expenditures of Federal Awards and State Projects.

SENIOR RESOURCE ASSOCIATION, INC.

Notes to Schedule of Expenditures of Federal Awards and State Projects

Year ended June 30, 2023

(1) Basis of Presentation

The accompanying schedule of expenditures of Federal Awards and State Projects (the Schedule) includes the federal and state grant activity of Senior Resource Association, Inc. and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and Chapter 10.650, Rules of the 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.

(2) Summary of Significant Accounting Policies

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

(3) Indirect Cost Rate

The Association has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

(4) Contingency

The Association has received federal and state grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal and state regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the Association. In the opinion of management, all grant and contract expenditures are in compliance with the terms of the grants and contract agreements, applicable federal laws, and other applicable regulations.

SENIOR RESOURCE ASSOCIATION, INC.
Schedule of Findings and Questioned Costs

Year ended June 30, 2023

Section I – Summary of Auditors’ Results

Financial Statements:

Type of auditors’ report issued	Unmodified
Internal control over financial reporting: Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards:

Identification of major federal awards – U.S. Department of Transportation, Federal Transit Cluster – ALN 20.FTC, Federal Transit Capital and Operating Assistance (Section 5307) – 20.507, COVID-19 – Federal Transit Capital and Operating Assistance (Section 5307) – 20.507, FTC Bus and Bus Facilities Formula (Section 5339) – 20.526 and COVID-19 – Federal Operations CARES Act – 20.507.

Internal control over major programs: Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditors’ report issued on compliance for major federal awards?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a)?	No
Dollar threshold used to distinguish between Type A and Type B Awards	\$ 750,000
Auditee qualified as low-risk auditee?	No

State Projects:

Identification of major state projects - Florida Department of Transportation, Florida Commission for the Transportation Disadvantaged Trip and Equipment Grant Program – CSFA No. 55.001; and Innovative Service Development Grant – CSFA No. 55.045

Internal control over major programs: Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for major state projects?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, <i>Rules of the auditor General of the State of Florida</i> .	No
Dollar threshold used to distinguish between Type A and Type B Awards	\$ 750,000

(Continued)

SENIOR RESOURCE ASSOCIATION, INC.

Schedule of Findings and Questioned Costs, Continued

Year ended June 30, 2023

Section II – Financial Statement Findings

There were no findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

Section III – Federal Awards Findings and Questioned Costs

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

Section IV – State Projects Findings and Questioned Costs

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

Section V – Summary of Prior Year Audit Findings Relating to State Projects

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

Section VI – Management Letter Relating to State Projects

N/A – There were no matters relating to State Projects that were required to be reported in a management letter.