

**COMMUNITY SENIORSERV, INC.**

**SINGLE AUDIT OF FEDERAL AND STATE  
GRANT PROGRAMS**

**YEAR ENDED JUNE 30, 2019**

**COMMUNITY SENIORSERV, INC.**  
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**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 Audit Committee and  
Board of Directors of  
Community SeniorServ, Inc.  
Anaheim, California

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 Community SeniorServ, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 9, 2019.

**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 Organization'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 the 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.

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

*White Nelson Dick Evans LLP*

Irvine, California  
October 9, 2019

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

The Audit Committee and  
Board of Directors of  
Community SeniorServ, Inc.  
Anaheim, California

**Report on Compliance for Each Major Federal Program**

We have audited Community SeniorServ, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2019. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

### ***Auditors' Responsibility (Continued)***

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

### ***Opinion on Each Major Federal Program***

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 for the year ended June 30, 2019.

### **Report on Internal Control over Compliance**

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program 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 will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type a 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.

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

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.

## **Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance**

We have audited the financial statements of the Organization as of and for the year ended June 30, 2019, and have issued our report thereon dated October 9, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 and state awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

*White Nelson Diehl Evans LLP*

Irvine, California  
October 9, 2019

**COMMUNITY SENIORSERV, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number (CFDA No.)	Grantor Contract Number	Expenditures		Disbursement to Subrecipient
			Federal	State	
US Department of Health and Human Services - Aging Cluster Passed through County of Orange Area Agency on Aging: Special Programs for the Aging - Title III, Part C - Nutrition Services:					
C-1 Congregate Nutrition Services	93-045	18-27-0016	\$ 1,654,377	\$ 188,981	\$ 1,843,358
C-2 Home Delivered Meals	93-045	18-27-0016	2,124,836	223,843	2,348,679
			3,779,213	412,824	4,192,037
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers:					
Title III B In-Home Services Program	93-044	18-27-0016	260,511	-	260,511
Title III B Nutrition Transportation Program	93-044	18-27-0016	329,839	-	329,839
Title III B Case Management	93-044	18-27-0016	284,070	-	284,070
Title III B Adult Day Care Program	93-044	18-27-0016	166,400	-	166,400
			1,040,820	-	1,040,820
Nutrition Services Incentive Program:					
C-1 Congregate Nutrition Services	93-053	18-27-0016	189,424	-	189,424
C-2 Home Delivered Meals	93-053	18-27-0016	570,139	-	570,139
			759,563	-	759,563
			5,579,596	412,824	5,992,420
Total US Department of Health and Human Services - Aging Cluster Passed through the Administration on Aging, Administration for Community Living, and Alzheimer's of Orange County:	93-470	90ADPH0002-01-00	7,500	-	7,500
Alzheimer's Disease Program Initiative			5,587,096	412,824	5,999,920
Total US Department of Health and Human Services					
US Department of Housing and Urban Development - Community Development Block Grant ("CDBG") passed through:					
City of Anaheim	14-218	N/A	55,666	-	55,666
City of Costa Mesa		N/A	30,000	-	30,000
City of Fountain Valley		N/A	17,792	-	17,792
City of Fullerton		N/A	25,000	-	25,000
City of Garden Grove		N/A	20,000	-	20,000
City of Tustin		N/A	16,600	-	16,600
City of Westminster		N/A	30,000	-	30,000
			195,058	-	195,058
Total US Department of Housing and Urban Development - CDBG					
US Department of Agriculture Passed through California Department of Education: Child and Adult Care Food Program	10-558	04527-CACFP-30-NP-CS	160,178	-	160,178
Total US Department of Agriculture			160,178	-	160,178
Total Expenditures of Federal and State Awards			\$ 5,942,332	\$ 412,824	\$ 6,355,156

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



**COMMUNITY SENIORSERV, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**YEAR ENDED JUNE 30, 2019**

**Note 1: General**

The accompanying schedule of expenditures of federal and state awards (the “Schedule”) summarizes the expenditures of all federal and state awards programs of Community SeniorServ, Inc. (the “Organization”) for the year ended June 30, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 US *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”). The Schedule includes amounts passed through the State of California, as well as other government and private agencies.

For purposes of the Schedule, federal and state awards include all grants and contracts entered into directly between the Organization and agencies and departments of the federal and state government. The awards are classified into major program categories in accordance with the Uniform Guidance.

**Note 2: Basis of Accounting**

The accompanying Schedule is presented using the accrual basis of accounting, which is described in the notes to the Organization’s financial statements. Expenditures are determined using cost accounting principles and procedures set forth in *Subpart E - Cost Principles of the Uniform Guidance*.

**Note 3: Relationship to Financial Statements**

Amounts reported in the accompanying Schedule agree with the amounts reported in the Organization’s annual financial statements.

**Note 4: Relationship to Federal and State Financial Reports**

Amounts reported in the accompanying Schedule agree with the amounts reported in the related federal and state financial reports for the Organization’s major federal programs.

**Note 5: Contingencies**

Under the terms of federal and state grants, additional audits may be requested by the grantor agencies and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to a request for reimbursement to the grantor agencies.

**Note 6: Indirect Cost Rate**

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

**1. Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes  X  no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes  X  none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes  X  no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes  X  no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes  X  none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a)? \_\_\_\_\_ yes  X  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.044	Aging Cluster; Special Programs for the
93.045	Aging – Title III, Part C – Nutrition Services,
93.053	Part B – Grants for Supportive Services and Senior Centers, Nutrition Services Incentive Program

Dollar threshold used for distinguishing between Type A and B programs: \$750,000

Auditee qualified as low-risk auditee?  X  yes \_\_\_\_\_ no

**COMMUNITY SENIORSERV, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

**2. Findings - Financial Statement Audit**

None noted.

**3. Findings and Questioned Costs - Major Federal Award Programs Audit**

None noted.

**COMMUNITY SENIORSERV, INC.**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**YEAR ENDED JUNE 30, 2019**

**Findings - Financial Statement Audit**

There were no findings or questioned costs for the year ended June 30, 2018.

**Findings and Questioned Costs - Major Federal Award Programs Audit**

There were no findings or questioned costs for the year ended June 30, 2018.