



# **ElderSource, Inc. and Subsidiaries**

## **Consolidated Financial Statements and Independent Auditors' Report**

**December 31, 2021 and 2020**

Draft

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Draft

## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
ElderSource, Inc. and Subsidiaries  
Jacksonville, Florida

### **Opinion**

We have audited the accompanying consolidated financial statements of Eldersource, Inc. and Subsidiaries (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated financial statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Consolidated Financial Statements**

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

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

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

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

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

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated schedule of expenses is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial

statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

#### **Report on Summarized Comparative Information**

We have previously audited the Organization's 2020 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated September 24, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Jacksonville, Florida  
                    , 2022

Draft

**Eldersource, Inc. and Subsidiaries**  
**Consolidated Statements of Financial Position**

<i>December 31,</i>	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Current assets:		
Cash	\$ 2,074,490	\$ 1,120,104
Restricted cash	600,173	336,000
Grant and contract receivables	3,735,805	4,565,950
Prepaid expenses	4,951	5,564
Total current assets	<b>6,415,419</b>	6,027,618
Property and equipment:		
Building	1,198,703	1,198,703
Furniture and equipment	410,215	410,215
Total property and equipment	<b>1,608,918</b>	1,608,918
Less: accumulated depreciation	<b>(646,569)</b>	(601,406)
Net property and equipment	<b>962,349</b>	1,007,512
Total assets	<b>\$ 7,377,768</b>	\$ 7,035,130
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 434,398	\$ 255,626
Due to providers	2,828,936	3,379,067
Grant liabilities	575,727	279,114
Refundable advances	24,446	56,886
Current maturities of long-term debt	46,753	45,239
Total current liabilities	<b>3,910,260</b>	4,015,932
Long-term debt	<b>363,034</b>	409,948
Total liabilities	<b>4,273,294</b>	4,425,880
Net assets:		
Without donor restrictions	<b>3,104,473</b>	2,609,250
Total liabilities and net assets	<b>\$ 7,377,767</b>	\$ 7,035,130

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

**Eldersource, Inc. and Subsidiaries**  
**Consolidated Statements of Activities**

	Without Donor Restrictions 2021	Without Donor Restrictions 2020
<i>For the years ended December 31,</i>		
<b>Grant and Contract Revenues</b>		
State of Florida		
Department of Elder Affairs	\$ 22,496,417	\$ 24,147,123
Department of Veterans Affairs	2,539,299	2,168,240
United Way	72,530	275,570
Other grants	706,731	725,448
<b>Total grants and contracts</b>	<b>25,814,977</b>	<b>27,316,381</b>
<b>Other Revenues</b>		
Contributions	22,148	26,864
Miscellaneous income	76,366	51,742
<b>Total other revenues</b>	<b>98,514</b>	<b>78,606</b>
<b>Total revenues</b>	<b>25,913,491</b>	<b>27,394,987</b>
<b>Expenses</b>		
Program services	23,848,792	25,707,859
Supporting services:		
Fundraising	17,657	5,024
Management and general	1,551,819	1,418,511
<b>Total expenses</b>	<b>25,418,268</b>	<b>27,131,394</b>
<b>Change in net assets</b>	<b>495,223</b>	<b>263,593</b>
<b>Net assets – beginning of year</b>	<b>2,609,250</b>	<b>2,345,657</b>
<b>Net assets – end of year</b>	<b>\$ 3,104,473</b>	<b>\$ 2,609,250</b>

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

**Eldersource, Inc. and Subsidiaries**  
**Consolidated Statements of Functional Expenses**

<i>For the years ended December 31,</i>	<b>Program Services</b>	<b>Fundraising</b>	<b>Management &amp; General</b>	<b>2021 Total Expenses</b>	<b>Summarized 2020</b>
<b>Personnel Expenses</b>					
Salaries	\$ 1,680,862	\$ -	\$ 882,002	\$ 2,562,864	\$ 2,277,847
Employee benefits and payroll taxes	571,312	-	233,834	805,146	748,930
<b>Total personnel expenses</b>	<b>2,252,174</b>	<b>-</b>	<b>1,115,836</b>	<b>3,368,010</b>	<b>3,026,777</b>
<b>Other Expenses</b>					
Payments to providers	18,767,558	-	-	18,767,558	20,662,586
Program expenses	2,294,120	-	-	2,294,120	2,475,347
Communication and postage	67,829	-	24,986	92,815	76,043
Equipment	54,101	-	60,508	114,609	73,899
Maintenance	295	-	43,885	44,180	88,902
Printing and supplies	49,061	-	4,113	53,174	64,503
Professional fees	274,869	1,145	228,613	504,627	449,119
Staff development	5,421	-	6,428	11,849	10,502
Travel	5,476	-	6,115	11,591	23,546
Other	35,293	16,484	44,441	96,218	64,068
Interest	-	-	14,354	14,354	43,881
Depreciation	42,595	28	2,540	45,163	72,221
<b>Total other expenses</b>	<b>21,596,618</b>	<b>17,657</b>	<b>435,983</b>	<b>22,050,258</b>	<b>24,104,617</b>
<b>Total expenses</b>	<b>\$ 23,848,792</b>	<b>\$ 17,657</b>	<b>\$ 1,551,819</b>	<b>\$ 25,418,268</b>	<b>\$ 27,131,394</b>

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



**Eldersource, Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**

<i>For the years ended December 31,</i>	<b>2021</b>	Summarized <b>2020</b>
<b>Operating Activities</b>		
Change in net assets	\$ 495,223	\$ 263,593
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	45,163	72,221
Gain on sale of property and equipment	-	(41,180)
Changes in operating assets and liabilities:		
Grant and contract receivables	830,145	(1,826,132)
Prepaid expenses	613	507
Accounts payable and accrued expenses	178,772	8,590
Due to providers	(550,131)	1,063,353
Grant Liabilities	296,613	(59,750)
Refundable advances	(32,440)	-
<b>Net cash provided by (used in) operating activities</b>	<b>1,263,958</b>	<b>(518,798)</b>
<b>Investing Activities</b>		
Purchase of property and equipment	-	(12,367)
Proceeds from sale of property and equipment	-	1,024,665
<b>Net cash provided by (used in) investing activities</b>	<b>-</b>	<b>1,012,298</b>
<b>Financing Activities</b>		
Repayment of long-term debt	(45,400)	(854,865)
<b>Net change in cash</b>	<b>1,218,558</b>	<b>(361,365)</b>
<b>Cash and restricted cash - beginning of year</b>	<b>1,456,104</b>	<b>1,817,469</b>
<b>Cash and restricted cash - end of year</b>	<b>\$ 2,674,662</b>	<b>\$ 1,456,104</b>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid during the year for interest	\$ 14,353	\$ 43,881
Cash	\$ 2,074,490	\$ 1,120,104
Restricted Cash	600,173	336,000
<b>Total cash and restricted cash</b>	<b>\$ 2,674,663</b>	<b>\$ 1,456,104</b>

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

## Eldersource, Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### NOTE 1 – DESCRIPTION OF THE ORGANIZATION

ElderSource, Inc. was incorporated on November 25, 2009. Another subsidiary, Northeast Florida Area Agency on Aging, Inc. d/b/a ElderSource, was incorporated in 1974. The subsidiary, Wise Owl Properties, Inc., was incorporated on December 28, 2012 and ElderSource Institute, Inc., was incorporated on April 13, 2015. The last subsidiary, Medicaid Management Services Inc., was incorporated February 15, 2019. ElderSource, Inc. and Subsidiaries (the “Organization”) primarily monitors and oversees various programs for the Department of Elder Affairs in Baker, Clay, Duval, Flagler, Nassau, St. Johns, and Volusia counties that help elders attain needed services.

The consolidated financial statements include the accounts and activities of Northeast Florida Area Agency on Aging, Inc. d/b/a ElderSource, ElderSource Institute, Inc., Wise Owl Properties, Inc., and Medicaid Management Services Inc., subsidiaries in which ElderSource, Inc. has a combination of economic interest and control. All significant inter-entity balances and transactions have been eliminated.

The majority of the Organization's funding is provided on a pass-through basis from the U.S. Department of Health and Human Services and directly from the State of Florida Department of Elder Affairs.

#### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### ***Basis of Accounting***

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

##### ***Use of Estimates***

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect (1) the reported amounts of assets and liabilities; (2) disclosure of contingent assets and liabilities at the date of the consolidated financial statements; and, (3) the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### ***Comparative Financial Information***

The consolidated 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2020, from which the summarized information was derived.

##### ***Cash***

Cash consists of cash on hand and deposits in banks.

**Eldersource, Inc. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Restricted Cash***

Restricted cash is comprised of grant liabilities and refundable advances from various grants to be utilized for specific grant purposes.

***Receivables***

Grant and contractual receivables and the related revenue and support are recognized when the related service is performed or expense is incurred.

An allowance for uncollectible grant and contract receivables is estimated and based on management's judgment of the collectability of these receivables in future years. At December 31, 2021 and 2020, the Organization considered all remaining receivables to be fully collectible. Accordingly, there was no allowance for doubtful accounts. The Organization does not require collateral for the receivables.

***Property and Equipment***

Property and equipment are recorded at cost when purchased or estimated fair value at date of donation when contributed. The Organization capitalizes property and equipment if it has a life of more than one year and an acquisition cost of at least \$3,000, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Depreciation is computed using the straight-line method over estimated useful lives ranging from 5 to 10 years for equipment and 30 years for buildings. For property purchased with grant funding, the State of Florida retains a reversionary interest.

***Net Assets***

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions represent net assets that are not subject to or are no longer subject to donor-imposed stipulations. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restriction represent net assets whose use is limited by donor-imposed time and/or purpose restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the consolidated financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

**Eldersource, Inc. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Due to Providers***

Due to providers represents amounts owed to subrecipients of grant funding that assist in the operating of programs. Amounts are paid to subrecipients on a reimbursement basis and are recorded under the accrual basis of accounting.

***Revenue Recognition***

**Contributions**

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

**Grants**

The Organization receives funding from several federal, state, and local governments as financial assistance for its program services. Grant revenues are recognized when the requirements under the grant have been fulfilled. Amounts received that do not meet the criteria for revenue recognition described above are grant liabilities until all criteria have been fulfilled. Grant funding received as advances are recorded as refundable advances until the conditions of the grant have been met or amounts have been refunded.

***Donated Assets***

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

***Donated Services***

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the School. Volunteers also provided fund-raising services throughout the year that are not recognized as contributions in the consolidated financial statements since the recognition criteria were not met.

***Allocation of Functional Expenses***

Directly identifiable expenses are charged to programs and supporting services. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area. Management and general expenses included those expenses that are not directly identifiable with any other specific function but provided for the overall support and direction of the Organization.

## Eldersource, Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Common expenses are incurred which support the work performed under more than one grant. All costs incurred in administering the various programs are charged to a combined administrative cost pool. Such expenses are charged to various grants, on a pro rata basis based on program expenses.

##### ***Income Taxes***

All subsidiaries that make up the Organization, except Wise Owl Properties, Inc., are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or have applied for this exempt classification. Wise Owl Properties, Inc. is exempt from federal income tax under Section 501(c)(2) of the Internal Revenue Code. Accordingly, the accompanying consolidated financial statements do not reflect a provision or liability for federal and state income taxes. The Organization has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2021 and 2020.

The Organization utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the consolidated financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of December 31, 2021 and 2020, the Organization has no uncertain tax provisions that qualify for recognition or disclosure in the consolidated financial statements. The Organization believes it is no longer subject to income tax examinations for years prior to 2018.

##### ***Fundraising***

Fundraising events revenue is recognized when the event takes place.

##### ***Reclassifications***

Certain reclassifications were made to prior year balances to conform with current year presentation.

##### ***Subsequent Events***

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued,                     , 2022, and determined there were no events that have occurred that required disclosure.

##### ***Accounting Pronouncements Issued but Not Yet Adopted***

Accounting Standards Update 2016-02

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases*. Under the guidance, lessees are required to recognize assets and liabilities on the consolidated statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of activities. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the impact of this ASU on the Organization's financial reporting.

**Eldersource, Inc. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Accounting Standards Update 2020-07

In September 2020, the FASB issued ASU No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This change in accounting principal is effective for fiscal years beginning after June 15, 2021. The Organization is evaluating the impact of this ASU on the Organization's financial reporting.

**NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

At December 31, 2021, the Organization had \$5,810,295 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures, consisting of unrestricted cash of \$2,074,490 and grants and contract receivables of \$3,735,805. At December 31, 2020, the Organization had \$5,686,054 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures, consisting of unrestricted cash of \$1,120,104 and grants and contract receivables of \$4,565,950. Cash is not subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. A portion of the grants and contract receivables are contractually required to be paid to providers. The grants and contract receivables are also subject to time restrictions, but are expected to be collected within one year.

**NOTE 4 – COMMITMENTS**

The Organization leases office equipment under operating lease. Total lease expense for the years ended December 31, 2021 and 2020 was \$44,958 and \$38,040, respectively. The leases expire in various years through 2025.

Minimum lease payments under non-cancellable operating leases are as follows:

For the years ending December 31,	
2022	\$ 43,664
2023	43,664
2024	9,229
2025	678
<b>Total</b>	<b>\$ 97,235</b>

**NOTE 5 – RETIREMENT PLAN**

Substantially all employees participate in the Organization's retirement plan. The plan is classified as a defined contribution plan to which the Organization contributes 10% of covered employees' compensation. The total retirement plan expense for the year ended December 31, 2021 and 2020 was \$162,734 and \$190,987, respectively.

**Eldersource, Inc. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**

**NOTE 6 – CONCENTRATION OF CREDIT RISK**

The Organization received approximately 87% and 88% of its revenue from the Florida Department of Elder Affairs for the years ended December 31, 2021 and 2020, respectively. Additionally, nearly all grant and contract receivables reported at year-end come from these revenues. The Organization considers these receivables fully collectible and requires no collateral for them.

The Organization maintains cash balances in banks that are insured by the Federal Deposit Insurance Corporation. As of December 31, 2021 and 2020, the uninsured portion of this balance was \$1,974,807 and \$817,444, respectively. The Organization does not believe it is exposed to any significant credit risk with respect to cash.

**NOTE 7 – LINE OF CREDIT**

The Organization had a \$150,000 revolving line of credit with a bank that matured on September 24, 2020 and was not renewed. Borrowings subject to a variable interest rate based on the prime rate plus 1%, with a minimum of 5% and a maximum of 18%.

**NOTE 8 – LONG-TERM DEBT**

Mortgage notes payable consist of the following:

December 31,	2021	2020
Mortgage note payable to bank in monthly installments of \$5,702, including interest at 2.95%, due March 2020, was modified with new terms beginning December 2019 for monthly installments of \$4,979, including interest at 3.25%, through November 2029. Collateralized by an office building and related land with an approximate net book value of \$976,000.	\$ 409,787	\$ 455,187
Total mortgage notes payable	\$ 409,787	\$ 455,187

One of the office buildings and related land was sold in December 2020. The remaining note was paid in full and the resulting gain on the sale of the building and land has been reflected in the consolidated financial statements for the year ended December 31, 2020.

**Eldersource, Inc. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**

**NOTE 8 – LONG-TERM DEBT (Continued)**

Aggregate maturities of long-term debt are as follows:

For the years ending December 31,		
2022	\$	46,753
2023		48,317
2024		49,904
2025		51,602
2026		53,329
Thereafter		159,882
<b>Total</b>	<b>\$</b>	<b>409,787</b>

**NOTE 9 – NET ASSETS**

The detail of the Organization's net asset categories as of December 31, is as follows:

<i>December 31,</i>	<b>2021</b>	2020
Without donor restrictions:		
Undesignated	<b>\$ 2,551,911</b>	\$ 2,056,925
Invested in property, plant and equipment, net of related debt	<b>552,562</b>	552,325
<b>Total without donor restrictions</b>	<b>3,104,473</b>	2,609,250
<b>Total net assets</b>	<b>\$ 3,104,473</b>	<b>\$ 2,609,250</b>

**NOTE 10 – UNCERTAINTIES**

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Organization. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.



**Supplementary Information**

Draft

**ElderSource Inc. and Subsidiaries**  
**Consolidated Schedule of Expenses**

<i>For the year ended December 31, 2021</i>	Home Care for the Elderly	Community Care for the Elderly	Alzheimer's Respite Services	Respite for Elders Living in Everyday Families	Medicaid Waiver Specialist	Medicaid Administrative Claiming
<b>Expenses</b>						
Salaries	\$ 50,704	\$ 342,331	\$ 14,175	\$ 21,933	\$ 82,095	\$ 276,584
Employee benefits and payroll taxes	12,129	97,428	2,938	5,807	26,789	96,214
Payments to providers	738,713	5,404,397	2,321,736	329,104	-	-
Program expenses	-	-	-	-	-	-
Communication and postage	1,127	9,418	1,469	74	1,009	2,225
Equipment	3,646	2,414	-	364	2,630	23,218
Maintenance	295	-	-	-	-	-
Printing and supplies	20	8,753	-	22	7,184	191
Professional fees	3,500	8,110	-	-	8,160	21,002
Staff development	-	5,260	-	-	-	-
Travel	-	462	-	-	-	-
Other	395	1,350	-	-	1,209	-
Interest expense	-	-	-	-	-	-
Depreciation	2,315	9,484	3,771	583	220	687
<b>Total expenses</b>	<b>\$ 812,844</b>	<b>\$ 5,889,407</b>	<b>\$ 2,344,089</b>	<b>\$ 357,887</b>	<b>\$ 129,296</b>	<b>\$ 420,121</b>

See accompanying independent auditors' report.

**ElderSource Inc. and Subsidiaries**  
**Consolidated Schedule of Expenses (Continued)**

<i>For the year ended December 31, 2021</i>	Serving Health Insurance Needs of Elders	Senior to Senior	Community Outreach/ Medication Management	Elder Abuse	Emergency Home Energy Assistance	VA-VD HCBS
<b>Expenses</b>						
Salaries	\$ 62,873	\$ 6,208	\$ -	\$ 12,832	\$ 28,003	\$ 146,247
Employee benefits and payroll taxes	18,654	2,765	-	5,099	7,523	104,583
Payments to providers	87	-	196,232	-	349,397	-
Program expenses	-	123,655	-	-	-	2,018,218
Communication and postage	17,978	653	-	74	-	7,405
Equipment	7,181	-	-	396	-	2,020
Maintenance	-	-	-	-	-	-
Printing and supplies	272	26	-	9	-	1,022
Professional fees	26,033	-	-	117	-	16,254
Staff development	-	-	-	-	-	-
Travel	3,865	1	-	54	-	176
Other	1,885	-	5,705	-	-	-
Interest expense	-	-	-	-	-	-
Depreciation	252	218	3,383	34	622	3,712
<b>Total Expenses</b>	<b>\$ 139,080</b>	<b>\$ 133,526</b>	<b>\$ 205,320</b>	<b>\$ 18,615</b>	<b>\$ 385,545</b>	<b>\$ 2,299,637</b>

See accompanying independent auditors' report.

**ElderSource Inc. and Subsidiaries**  
**Consolidated Schedule of Expenses (Continued)**

<i>For the year ended December 31, 2021</i>	Nutrition Services Incentive Program	Older Americans Act	LSP	Benefits Enrollment Center	ES Caregiver Coalition	No Wrong Door
<b>Expenses</b>						
Salaries	\$ -	\$ 353,459	\$ -	\$ 39,050	\$ 41,560	\$ 60,714
Employee benefits and payroll taxes	-	113,903	-	10,795	14,676	15,604
Payments to providers	482,358	8,362,414	525,676	-	-	-
Program expenses	-	-	-	-	-	-
Communication and postage	-	8,050	-	1,197	668	5,730
Equipment	-	5,426	-	-	-	1,586
Maintenance	-	-	-	-	-	-
Printing and supplies	-	177	-	729	41	4,132
Professional fees	-	94,123	-	4,550	-	9,654
Staff development	-	161	-	-	-	-
Travel	-	27	-	339	87	197
Other	-	19,456	-	-	2,975	-
Interest expense	-	-	-	-	-	-
Depreciation	777	14,480	847	94	97	158
<b>Total expenses</b>	<b>\$ 483,135</b>	<b>\$ 8,971,676</b>	<b>\$ 526,523</b>	<b>\$ 56,754</b>	<b>\$ 60,104</b>	<b>\$ 97,775</b>

See accompanying independent auditors' report.

**ElderSource Inc. and Subsidiaries**  
**Consolidated Schedule of Expenses (Concluded)**

<i>For the year ended December 31, 2021</i>	Other Programs	Total Program Services	Fundraising	Management and General	Total
<b>Expenses</b>					
Salaries	\$ 142,094	\$ 1,680,862	\$ -	\$ 882,002	\$ 2,562,864
Employee benefits and payroll taxes	36,405	571,312	-	233,834	805,146
Payments to providers	57,444	18,767,558	-	-	18,767,558
Program expenses	152,247	2,294,120	-	-	2,294,120
Communication and postage	10,752	67,829	-	24,986	92,815
Equipment	5,220	54,101	-	60,508	114,609
Maintenance	-	295	-	43,885	44,180
Printing and supplies	26,483	49,061	-	4,113	53,174
Professional fees	83,366	274,869	1,145	228,613	504,627
Staff development	-	5,421	-	6,428	11,849
Travel	268	5,476	-	6,115	11,591
Other	2,318	35,293	16,484	44,441	96,218
Interest expense	-	-	-	14,354	14,354
Depreciation	861	42,595	28	2,540	45,163
	<b>\$ 517,458</b>	<b>\$ 23,848,792</b>	<b>\$ 17,657</b>	<b>\$ 1,551,819</b>	<b>\$ 25,418,268</b>

See accompanying independent auditors' report.