

**SENIOR CONNECTION CENTER, INC.  
AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND COMPLIANCE REPORTS**

*As of and for the Year Ended December 31, 2018*

*And Reports of Independent Auditor*

# SENIOR CONNECTION CENTER, INC. AND AFFILIATE

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## **Report of Independent Auditor**

To the Board of Directors  
Senior Connection Center, Inc. and affiliate  
Tampa, Florida

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Senior Connection Center, Inc. and affiliate (the "Organization") (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2018, 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.

### ***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

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, 2018, 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.

## **OTHER MATTERS**

### *Report on Summarized Comparative Information*

We have previously audited the Organization's 2017 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 27, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and 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 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 3, 2019, on our consideration of the Organization's internal control over financial reporting and 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 Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

### **Emphasis of Matter**

#### *Adoption of New Accounting Pronouncement*

As discussed in Note 1 to the financial statements, for the year ended December 31, 2018, the Organization adopted Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.



Tampa, Florida  
July 3, 2019

**SENIOR CONNECTION CENTER, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017)

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 1,547,522	\$ 1,280,522
Due from grantors	4,512,528	3,778,336
Accounts receivable - other	5,619	3,938
Prepaid expenses and other assets	89,262	82,439
Total Current Assets	<u>6,154,931</u>	<u>5,145,235</u>
Furniture and equipment, net	26,493	26,108
<b>Total Assets</b>	<u><u>\$ 6,181,424</u></u>	<u><u>\$ 5,171,343</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 1,180,274	\$ 981,643
Refundable advances	55,773	173,938
Due to subrecipients	3,025,204	2,431,557
Total Liabilities	<u>4,261,251</u>	<u>3,587,138</u>
Net Assets:		
Net assets without donor restrictions	<u>1,920,173</u>	<u>1,584,205</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 6,181,424</u></u>	<u><u>\$ 5,171,343</u></u>

**SENIOR CONNECTION CENTER, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**

*YEAR ENDED DECEMBER 31, 2018*  
*(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017)*

	<u>2018</u>	<u>2017</u>
Support and Revenues:		
Public support - grants	\$ 25,387,591	\$ 20,722,391
Donated services	612	1,067
Other income	65,873	46,984
Total Support and Revenues	<u>25,454,076</u>	<u>20,770,442</u>
Expenses:		
Program Services:		
Older Americans Act	9,323,051	8,108,146
Nutrition Services Incentive Program	569,091	593,096
Aging Resource Center	484,273	462,409
Community Care for the Elderly	6,306,018	5,043,550
Home Care for the Elderly	1,004,620	676,260
Alzheimer's Disease Initiative	2,371,926	1,385,983
Emergency Home Energy Assistance Program	424,116	436,487
Serving Health Insurance Needs of Elders	276,768	304,680
Medicare Improvements for Patients and Providers Act of 2008	66,336	56,000
Senior Medicare Patrol Program	6,193	-
Medicaid Waiver Specialist	133,500	132,637
Local Service Provider	769,710	230,292
Other Non-DOEA Programs	2,155,803	1,959,664
Total Program Services	<u>23,891,405</u>	<u>19,389,204</u>
Supporting Services	<u>1,226,703</u>	<u>1,174,133</u>
Total Expenses	<u>25,118,108</u>	<u>20,563,337</u>
Increase in net assets	335,968	207,105
Net assets, beginning of year	<u>1,584,205</u>	<u>1,377,100</u>
Net assets, end of year	<u>\$ 1,920,173</u>	<u>\$ 1,584,205</u>

**SENIOR CONNECTION CENTER, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017)

	Program Services									
	Older Americans Act	Nutrition Services Incentive Program	Aging Resource Center	Community Care for the Elderly	Home Care for the Elderly	Alzheimer's Disease Initiative	EHEAP	SHINE	MIPPA	SMP
Expenses:										
Salaries	\$ 600,713	\$ -	\$ 319,769	\$ 183,509	\$ -	\$ 17,954	\$ -	\$ 157,853	\$ 40,910	\$ 5,228
Payroll taxes and benefits	114,161	-	76,556	37,002	-	2,904	-	31,633	5,780	836
Payroll leasing	3,086	-	1,586	977	-	87	-	860	274	22
Travel	12,997	-	654	181	-	3	-	6,997	244	-
Equipment rental	1,054	-	2,306	-	-	-	-	932	12	-
Occupancy costs	82,691	-	43,474	26,239	-	1,865	-	30,327	10,803	45
Printing and supplies	9,678	-	9,344	2,043	-	142	-	7,681	1,007	38
Communications and postage	10,993	-	16,133	2,856	-	280	-	9,279	1,108	20
Purchase and maintenance of equipment	7,578	-	2,258	1,262	-	570	-	5,859	93	4
Transfers to subrecipients	8,420,857	569,091	-	6,043,814	1,004,620	2,348,114	424,116	-	-	-
Program supplies	3,511	-	-	-	-	-	-	4,383	50	-
Insurance	5,464	-	2,998	1,968	-	-	-	1,644	711	-
Advertising	-	-	-	-	-	-	-	5,245	3,805	-
Professional fees	8,300	-	5,259	3,236	-	-	-	2,095	1,177	-
Other	41,968	-	3,936	2,931	-	7	-	11,980	362	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Total expenses before allocation	9,323,051	569,091	484,273	6,306,018	1,004,620	2,371,926	424,116	276,768	66,336	6,193
Allocation of management and general	443,650	27,081	23,045	300,080	47,806	112,871	20,182	13,170	3,157	295
Total Expenses	\$ 9,766,701	\$ 596,172	\$ 507,318	\$ 6,606,098	\$ 1,052,426	\$ 2,484,797	\$ 444,298	\$ 289,938	\$ 69,493	\$ 6,488

See notes to the consolidated financial statements.

**SENIOR CONNECTION CENTER, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**

YEAR ENDED DECEMBER 31, 2018  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017)

	Program Services				Supporting Services				
	Medicaid Waiver Specialist	Local Service Provider	Other Non- DOEA Programs	Total Program Services	Board Operations	Management and General	Total Supporting Services	Total 2018	Total 2017
Expenses:									
Salaries	\$ 92,845	\$ -	\$ 191,478	\$ 1,610,259	\$ 22,598	\$ 777,116	\$ 799,714	\$ 2,409,973	\$ 2,320,885
Payroll taxes and benefits	21,341	-	37,915	328,128	(5,658)	146,997	141,339	469,467	470,127
Payroll leasing	517	-	924	8,333	37	2,528	2,565	10,898	9,800
Travel	77	-	4,297	25,450	338	12,727	13,065	38,515	42,024
Equipment rental	-	-	93	4,397	-	5,600	5,600	9,997	11,246
Occupancy costs	11,644	-	11,477	218,565	(7,245)	86,830	79,585	298,150	270,132
Printing and supplies	2,289	-	3,736	35,958	2,242	11,047	13,289	49,247	54,070
Communications and postage	1,482	-	2,608	44,759	439	13,633	14,072	58,831	61,647
Purchase and maintenance of equipment	214	-	278	18,116	290	5,818	6,108	24,224	31,768
Transfers to subrecipients	-	769,710	1,707,552	21,287,874	-	-	-	21,287,874	16,896,035
Program supplies	-	-	3,391	11,335	6,012	18	6,030	17,365	27,594
Insurance	-	-	775	13,560	-	6,858	6,858	20,418	16,423
Advertising	-	-	-	9,050	8,728	1,618	10,346	19,396	12,518
Professional fees	1,471	-	6,765	28,303	3,840	18,452	22,292	50,595	53,935
Other	1,620	-	184,514	247,318	47,453	47,663	95,116	342,434	271,116
Depreciation	-	-	-	-	10,724	-	10,724	10,724	14,017
Total expenses before allocation	133,500	769,710	2,155,803	23,891,405	89,798	1,136,905	1,226,703	25,118,108	20,563,337
Allocation of management and general	6,353	36,628	102,587	1,136,905	-	(1,136,905)	(1,136,905)	-	-
Total Expenses	\$ 139,853	\$ 806,338	\$ 2,258,390	\$ 25,028,310	\$ 89,798	\$ -	\$ 89,798	\$ 25,118,108	\$ 20,563,337

See notes to the consolidated financial statements.



**SENIOR CONNECTION CENTER, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

*YEAR ENDED DECEMBER 31, 2018*  
*(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017)*

	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities:</b>		
Increase in net assets	\$ 335,968	\$ 207,105
Adjustments to reconcile increase in net assets to net cash flows provided by operating activities:		
Depreciation	10,724	14,017
(Increase) decrease in:		
Due from grantors	(734,192)	(199,732)
Accounts receivable - other	(1,681)	5,411
Prepaid expenses and other assets	(6,823)	(1,850)
Increase (decrease) in:		
Accounts payable and accrued expenses	198,631	49,388
Refundable advances	(118,165)	(11,516)
Due to subrecipients	593,647	(149,150)
Net cash flows from operating activities	<u>278,109</u>	<u>(86,327)</u>
<b>Cash flows from investing activities:</b>		
Purchase of furniture and equipment	<u>(11,109)</u>	<u>(9,794)</u>
Net cash flows from investing activities	<u>(11,109)</u>	<u>(9,794)</u>
Net increase (decrease) in cash	267,000	(96,121)
Cash, beginning of year	<u>1,280,522</u>	<u>1,376,643</u>
Cash, end of year	<u><u>\$ 1,547,522</u></u>	<u><u>\$ 1,280,522</u></u>

# SENIOR CONNECTION CENTER, INC. AND AFFILIATE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

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### Note 1—Nature of activities and summary of significant accounting policies

*Principles of Consolidation* – The consolidated financial statements include the accounts of Senior Connection Center, Inc. (“SCC”) and Care Connections, Inc. (collectively, the “Organization”). These entities are related through an economic interest and the direct ability to determine the direction of management. All significant intercompany balances and transactions have been eliminated in consolidation.

*Nature of Activities* – SCC is a not-for-profit organization incorporated under the laws of the state of Florida on February 2, 1981. SCC administers a network of services for the 60+ year old population in Hillsborough, Manatee, Polk, Highland, and Hardee counties. SCC exists to promote the independence, dignity, health, and well-being of the elder citizens; to plan, fund, and administer a coordinated system of services for seniors; to facilitate and enhance service delivery; and to advocate for the needs and concerns of older Americans. Care Connections, Inc., a not-for-profit organization, was established in 2006 to provide educational seminars, provide community events, and raise public awareness to benefit older adults and assist them with unmet health and social service needs. All programs of the Organization relate to assisting the elderly. Financial resources for accomplishment of the activities of the Organization are principally in the form of federal and state government grants. The Organization awards contracts to service providers who directly provide the services to the aging population.

*Basis of Presentation* – 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 (“GAAP”). Net assets, support and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Because there are no donor-imposed restrictions, the net assets of the Organization and the changes therein are classified and reported as net assets without donor restrictions.

*New Accounting Pronouncement* – In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (“ASU 2016-14”). The Organization has adjusted the presentation of the consolidated financial statements accordingly. The new standard changes the following aspects of not-for-profit financial reporting:

- The consolidated financial statements include a new disclosure about liquidity and availability of resources (see Note 8).
- The consolidated statement of functional expenses is now a required element of the consolidated financial statements.
- Net assets are now classified as either net assets without donor restrictions or net assets with donor restrictions.
- Required disclosures related to the components and changes of net assets with donor restrictions have been expanded.

The ASU has been applied retrospectively to all periods presented other than the disclosure of liquidity, and availability of resources, which has been implemented prospectively as allowed under the provisions of ASU 2016-14.

# SENIOR CONNECTION CENTER, INC. AND AFFILIATE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

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### **Note 1—Nature of activities and summary of significant accounting policies (continued)**

*Due from Grantors* – Amounts due from grantors represent amounts receivable from grantor agencies for allowable expenses incurred on or before December 31, 2018. Management believes all expenses are allowable under the grant requirements and are fully collectible. As such, no allowance for doubtful accounts is considered necessary.

*Furniture and Equipment* – Furniture and equipment are stated at cost if purchased or at estimated fair market value at the date of receipt if acquired by gift. The Organization capitalizes expenditures for furniture and equipment in excess of \$1,000 in accordance with policies established by the Florida Department of Elder Affairs. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets, generally five years. Leasehold improvements are depreciated over the lesser of the estimated useful life of the asset or the lease term. Maintenance and repair costs are expensed as incurred. The Organization has restrictions on disposals of fixed assets pursuant to grantor contracts. The Organization can gift furniture and equipment to its providers or dispose of assets with the permission of the grantor. During 2018, the Organization did not dispose of any depreciable assets acquired under grantor contracts.

*Due to Subrecipients* – Amounts due to subrecipients represent amounts requested for reimbursement from the Organization for allowable expenses incurred by the subrecipients on or before December 31, 2018.

*Refundable Advances* – Refundable advances represent advances from third parties that require the Organization to achieve certain objectives. Should the Organization not achieve these objectives, the funds would be returned to the third party.

*Revenue Recognition* – Grant funds are deemed to be earned and reported as revenues when expenditures are incurred in compliance with specific grant requirements (reimbursable expenditures).

*In-Kind Contributions* – Contributions of non-cash assets are recorded at estimated fair value in the period received. In accordance with GAAP, the Organization records contributed services if the services received create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In-kind contributions are recorded as “donated services” on the consolidated statement of activities for the year ended December 31, 2018.

Volunteers have contributed time to activities of the Organization without compensation. The consolidated financial statements do not reflect the value of those contributed services because they do not meet the above recognition criteria. The estimated fair value of the volunteers’ contributed time is approximately \$313,000.

*Federal Income Tax* – The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

*Consolidated Statement of Functional Expenses* – The cost of providing certain activities of the Organization have been summarized on a functional basis as seen in the consolidated statement of functional expenses. Certain categories of expenses are attributable to program services and supporting activities. Expenses are allocated between program services and supporting services based upon time and effort incurred with the exception of occupancy costs which is allocated based on square footage utilized for certain functions. Salaries and other expenses that are associated with a specific program are charged directly to that program. Salaries and other expenses that benefit more than one program are allocated to the various programs based on the relative benefit provided. For grant purposes, general and administrative expenses were allocated to program services based on the total of the individual program service to total program services

# SENIOR CONNECTION CENTER, INC. AND AFFILIATE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

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### Note 1—Nature of activities and summary of significant accounting policies (continued)

*Use of Estimates* – The preparation of consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from those estimates.

*Summarized Financial Information for 2017* – The consolidated financial statements include certain prior-year summarized comparative information in total but not by functional expense. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization’s consolidated financial statements for the year ended December 31, 2017, from which the summarized information was derived.

*Advertising Costs* – The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense for the year ended December 31, 2018, was approximately \$19,000.

*Subsequent Events* – The Organization has evaluated subsequent events through July 3, 2019 in connection with the preparation of these consolidated financial statements, which is the date the consolidated statements were available to be issued.

### Note 2—Concentrations

The Organization places its cash on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts. The Organization from time to time may have amounts on deposit in excess of the insured limits. As of December 31, 2018, the Organization had bank balances of approximately \$1,351,000 which exceeded these insured amounts.

The Organization’s activities are supported by funding provided by government agencies. The Organization is dependent upon grants from federal and state agencies for its principal source of revenue. A significant decline in funding to the Organization could adversely affect the operating results of the Organization.

### Note 3—Furniture and equipment

A summary of furniture and equipment at December 31, 2018, is as follows:

Furniture and office equipment	\$	160,803
Computer equipment and software		89,665
Leasehold improvements		1,890
Less accumulated depreciation		(225,865)
	\$	<u>26,493</u>

# SENIOR CONNECTION CENTER, INC. AND AFFILIATE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

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### Note 4—Lease commitments

The Organization has entered into noncancelable operating lease agreements for office equipment and office space which expire through April 2022. Total rent expense for the year ended December 31, 2018 was approximately \$253,000 and is included in the occupancy costs on the consolidated statement of functional expenses.

The total minimum future lease commitments at December 31, 2018 are due as follows:

2019	\$	191,021
2020		196,054
2021		189,372
2022		60,950
	\$	<u>637,397</u>

### Note 5—Lines of credit

The Organization has two lines of credit of \$150,000 and \$250,000 with a financial institution. There were no advances on either of these lines of credit in 2018 and no amounts outstanding at December 31, 2018. The lines of credit mature in February 2021.

### Note 6—Employee benefit plan

The Organization has established a 401(k) profit-sharing plan (the “Plan”) for eligible employees. An employee is eligible to participate in the Plan after 12 months of continuous service and becomes fully vested after six years of continuous service. Annual contributions by the Organization are voluntary and are made at the discretion of the Board of Directors. For 2018, the Board of Directors approved a contribution of 3% of eligible salaries plus an employer match of up to 4% of employee contribution. The Organization’s contribution for the year ended December 31, 2018 was approximately \$120,000.

### Note 7—Contingencies

Expenditures incurred by the Organization and subrecipients are subject to audit and possible disallowances by the granting federal and state agencies. The Organization would be responsible for recovery (reimbursement to the grantor agency) of disallowed amounts incurred by subrecipients if they were not able to repay the amounts disallowed. It is the opinion of management that no grant expenditures would be disallowed.

**SENIOR CONNECTION CENTER, INC. AND AFFILIATE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*DECEMBER 31, 2018*

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**Note 8—Liquidity and availability of resources**

Management has budgeted approximately \$24,000,000 of operating expenses to be paid within one year of the consolidated statement of financial position date. The Organization has a goal to maintain financial assets on hand to meet 60 days of normal operating expenses and may invest cash in excess of requirements in a short-term money market investment. The Organization relies on grant income to meet operating needs. Public support for the year ended December 31, 2018 was approximately \$25,000,000. Additionally as described in Note 5, the Organization has funds available on the lines of credit of approximately \$400,000 which may be drawn upon in the event of an unanticipated liquidity need. Lastly, the Organization will rely on other revenues from operations during the year ended December 31, 2018 to pay operating expenses.

Financial assets available to meet cash needs for general expenditures within one year as of December 31, 2018 consist of the following:

Financial assets as of year-end:

Cash	\$	1,547,522
Due from grantors		4,512,528
Other receivables		<u>5,619</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>6,065,669</u></u>

## **SUPPLEMENTARY INFORMATION**

**SENIOR CONNECTION CENTER, INC. AND AFFILIATE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND**  
**STATE FINANCIAL ASSISTANCE (CONTINUED)**

YEAR ENDED DECEMBER 31, 2018

FEDERAL AWARDS:	CFDA Number	Contract Grant Number	Federal Expenditures	Passed Through to Subrecipients
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<i>Passed through the State of Florida - Department of Elder Affairs</i>				
<b>Administration on Aging</b>				
Special Programs for the Aging - Title IIID, 01/01/2018 - 12/31/2018 (OAA Title IIID Health & Wellness Promotion)	93.043	FA018	\$ 130,125	\$ -
National Family Caregiver Support - Title IIIE, 01/01/2018 - 12/31/2018	93.052	FA018	1,174,177	889,561
Special Programs for the Aging - Title VII, 01/01/2018 - 12/31/2018 (OAA Title VII Elder Abuse Prevention)	93.041	B241A3	21,267	-
<b>Aging Cluster</b>				
Special Programs for the Aging - Title III Admin, 01/01/2018 - 12/31/2018	93.044	FA018	913,222	-
Special Programs for the Aging - Title IIIB, 01/01/2018 - 12/31/2018	93.044	FA018	3,331,125	2,859,514
Special Programs for the Aging - Title IIIC, 01/01/2018 - 12/31/2018	93.045	FA018	4,671,783	4,671,783
Nutrition Services Incentive Program, 10/01/2017 - 09/30/2018	93.053	FA018	569,091	569,091
<b>Total Aging Cluster</b>			<u>9,485,221</u>	<u>8,100,388</u>
<b>Total Administration on Aging</b>			<u>10,810,790</u>	<u>8,989,949</u>
<b>Medicare Enrollment Assistance Program</b>				
Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), 09/30/2017-09/29/2018	93.071	FB017	50,834	-
Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), 09/30/2018-09/29/2019	93.071	FB018	15,791	-
<b>Total Medicare Enrollment Assistance Program</b>			<u>66,625</u>	<u>-</u>
<b>Senior Medicare Patrol Program</b>				
Senior Medicare Patrol Program (SMP), 01/01/2018 - 12/31/2018	93.047	FG018	6,179	-
<b>Total Senior Medicare Patrol Program</b>			<u>6,179</u>	<u>-</u>
<b>Low-Income Home Energy Assistance Program</b>				
Low-Income Home Energy Assistance, 04/01/2017 - 09/30/2018	93.568	FP017	291,278	263,018
Low-Income Home Energy Assistance, 10/01/2018 - 09/30/2019	93.568	FP018	172,077	161,098
<b>Total Low-Income Home Energy Assistance Program</b>			<u>463,355</u>	<u>424,116</u>
<b>Centers for Medicare and Medicaid Services</b>				
<b>Medical Assistance Program</b>				
Medical Assistance Program, 07/01/2017 - 06/30/2018	93.778	FX017	150,593	-
Medical Assistance Program, 07/01/2018 - 06/30/2019	93.778	FX017.A2	159,190	-
<b>Total Medical Assistance Program</b>			<u>309,783</u>	<u>-</u>
<b>Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations Program</b>				
Centers for Medicare and Medicaid Services Research, 04/01/2017 - 03/31/2018	93.779	FN017	68,564	-
Centers for Medicare and Medicaid Services Research, 04/01/2018 - 03/31/2019	93.779	FN018	209,608	-
<b>Total Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations Program</b>			<u>278,172</u>	<u>-</u>
<b>Total Centers for Medicare and Medicaid Services</b>			<u>587,955</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 11,934,904</u>	<u>\$ 9,414,065</u>



**SENIOR CONNECTION CENTER, INC. AND AFFILIATE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND**  
**STATE FINANCIAL ASSISTANCE (CONTINUED)**

YEAR ENDED DECEMBER 31, 2018

STATE FINANCIAL ASSISTANCE:	CSFA Number	Contract Grant Number	State Expenditures	Passed Through to Subrecipients
<b>State of Florida - Department of Elder Affairs</b>				
<b>Home Care for the Elderly Program</b>				
Home Care for the Elderly, 07/01/2017 - 06/30/2018	65.001	FH017	\$ 545,836	\$ 509,767
Home Care for the Elderly, 07/01/2018 - 06/30/2019	65.001	FH018	536,689	494,584
<b>Total Home Care for the Elderly Program</b>			<u>1,082,525</u>	<u>1,004,351</u>
<b>Alzheimer Model Day Care Program</b>				
Alzheimer Model Day Care, 07/01/2017 - 06/30/2018	65.002	FZ017	131,813	131,813
Alzheimer Model Day Care, 07/01/2018 - 06/30/2019	65.002	FZ018	13,747	13,747
<b>Total Alzheimer Model Day Care Program</b>			<u>145,560</u>	<u>145,560</u>
<b>Alzheimer's Respite Services Program</b>				
Alzheimer's Respite Services, 07/01/2017 - 06/30/2018	65.004	FZ017	1,084,426	1,084,426
Alzheimer's Respite Services, 07/01/2018 - 06/30/2019	65.004	FZ018	1,141,938	1,118,126
<b>Total Alzheimer's Respite Services Program</b>			<u>2,226,364</u>	<u>2,202,552</u>
<b>Local Services Program</b>				
Local Services Program, 07/01/2017 - 06/30/2018	65.009	FL017	509,679	507,893
Local Services Program, 07/01/2018 - 06/30/2019	65.009	FL018	264,100	261,817
<b>Total Local Services Program</b>			<u>773,779</u>	<u>769,710</u>
<b>Community Care for the Elderly Program</b>				
Community Care for the Elderly, 07/01/2017 - 06/30/2018	65.010	FC017	3,415,483	3,256,672
Community Care for the Elderly, 07/01/2018 - 06/30/2019	65.010	FC018	2,959,550	2,787,142
<b>Total Community Care for the Elderly Program</b>			<u>6,375,033</u>	<u>6,043,814</u>
<b>Total Expenditures of State Financial Assistance</b>			<u>\$ 10,603,261</u>	<u>\$ 10,165,987</u>

**SENIOR CONNECTION CENTER, INC. AND AFFILIATE**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND**  
**STATE FINANCIAL ASSISTANCE**

*DECEMBER 31, 2018*

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**Note 1—Basis of presentation**

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of Senior Connection Center, Inc. and affiliate (the "Organization") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") as applicable to nonprofit organizations and the 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 of the State of Florida.

**Note 2—Contingency**

Expenditures incurred by the Organization and subrecipients are subject to audit and possible disallowances by the federal and state agencies. The Organization would be responsible for recovery (reimbursement to the grantor agency) of disallowed amounts incurred by subrecipients if it was not able to repay the amounts disallowed. Management believes that, if audited, any adjustment for disallowed expenses would be favorably resolved.

**Note 3—Indirect cost rate**

The Organization did not utilize the 10% de minimis indirect cost rates for reimbursement of grant expenditures for the fiscal year ended December 31, 2018.

## **GRANT COMPLIANCE**

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

To the Board of Directors  
Senior Connection Center, Inc. and affiliate  
Tampa, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Senior Connection Center, Inc. and affiliate (the "Organization") (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2018, 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, and have issued our report thereon dated July 3, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated 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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated 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.

**Compliance and Other Matters**

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

A handwritten signature in black ink that reads "Cheryl Bekaert LLP". The signature is written in a cursive, flowing style.

Tampa, Florida  
July 3, 2019

**Report of Independent Auditor on Compliance for Each Major Federal Program and  
State Financial Assistance Project and on Internal Control over Compliance  
Required by the Uniform Guidance and Chapter 10.650,  
Rules of the Auditor General of the State of Florida**

To the Board of Directors  
Senior Connection Center, Inc. and affiliate  
Tampa, Florida

**Report on Compliance for Each Major Federal Program and State Financial Assistance Project**

We have audited Senior Connection Center, Inc. and affiliate's (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the State of Florida's Department of Financial Services State Projects Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs and state financial assistance projects for the year ended December 31, 2018. The Organization's major federal programs and state financial assistance projects are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs and state financial assistance projects 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; 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 of the State of Florida ("Chapter 10.650"). Those standards, Uniform Guidance, and Chapter 10.650, 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 or state financial assistance project 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.

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

***Opinion on the Major Federal Programs and State Projects***

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended December 31, 2018.

## 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 or state financial assistance project 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 state financial assistance project 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 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 or state financial assistance 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 or state financial assistance project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state financial assistance 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.

Our consideration of 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 and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Bekaert LLP". The signature is written in a cursive, flowing style.

Tampa, Florida  
July 3, 2019

**SENIOR CONNECTION CENTER, INC. AND AFFILIATE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED DECEMBER 31, 2018

**Part I—Summary of Audit Results**

**Financial Statement Section**

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	_____ yes	_____ <u>x</u> no
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ yes	_____ <u>x</u> none reported
Noncompliance material to financial statements noted?	_____ yes	_____ <u>x</u> no

**Federal Awards and State Financial Assistance Section**

Internal control over major programs:		
Material weakness(es) identified?	_____ yes	_____ <u>x</u> no
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ yes	_____ <u>x</u> none reported

Type of auditor's report on compliance for major programs:	Unmodified	
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.650?	_____ yes	_____ <u>x</u> no
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**Identification of the major federal programs:**

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>
Department of Health and Human Services	
<u>Aging Cluster:</u>	
Special Programs for the Aging - Title III Admin	93.044
Special Programs for the Aging - Title IIIB	93.044
Special Programs for the Aging - Title IIIC	93.045
Nutrition Services Incentive Program	93.053
National Family Caregiver Support – Title IIIE	93.052



**SENIOR CONNECTION CENTER, INC. AND AFFILIATE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

YEAR ENDED DECEMBER 31, 2018

**Part I—Summary of Audit Results (continued)**

**Identification of the major state financial assistance projects:**

<u>Name of State Project</u>	<u>CSFA Number(s)</u>	
Department of Elder Affairs		
Local Services Program	65.009	
Community Care for the Elderly Program	65.010	
Dollar threshold used to distinguish between type A and type B programs:		
Federal		\$750,000
State		\$318,098
Auditee qualified as low-risk auditee?	<u>  x  </u> yes	<u>        </u> no

**Part II—Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, and instances of noncompliance related to the consolidated financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no findings required to be reported in accordance with *Government Auditing Standards*.

**Part III—Findings and Questioned Costs – Major Federal Awards**

This section identifies significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, related to the audit of major federal awards, as required to be reported by the Uniform Guidance.

There were no findings required to be reported in accordance with the Uniform Guidance.

**Part IV—Findings and Questioned Costs – Major State Financial Assistance Projects**

This section identifies significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, related to the audit of major state projects, as required to be reported by Chapter 10.650, Rules of the Auditor General of the State of Florida.

There were no findings required to be reported in accordance with Chapter 10.650, Rules of the Auditor General of the State of Florida.

**Part V—Other Matters**

No management letter is required in accordance with Chapter 10.650, Rules of the Auditor General of the State of Florida.

A summary schedule of prior audit findings is not necessary since there were no prior audit findings.