

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

CONSOLIDATED FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION, AND
COMPLIANCE REPORTS

As of and for the Year Ended December 31, 2019

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, 2019, 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, 2019, 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.

Emphasis of Matter

As discussed in Note 10 to the consolidated financial statements, in March 2020, the World Health Organization declared COVID-19 a global pandemic. Given the uncertainty of the situation and the duration of any business disruption, the related financial impact cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

OTHER MATTERS

Report on Summarized Comparative Information

We have previously audited the Organization's 2018 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated July 3, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, 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 June 29, 2020, 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.

Cherry Bekavert LLP

Tampa, Florida
June 29, 2020

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

DECEMBER 31, 2019

(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018)

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets:		
Cash	\$ 1,898,082	\$ 1,547,522
Investments	597,501	-
Due from grantors	3,520,366	4,512,528
Accounts receivable - other	2,361	5,619
Prepaid expenses and other assets	<u>94,316</u>	<u>89,262</u>
Total Current Assets	6,112,626	6,154,931
Furniture and equipment, net	<u>34,444</u>	<u>26,493</u>
Total Assets	<u><u>\$ 6,147,070</u></u>	<u><u>\$ 6,181,424</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 1,170,256	\$ 1,180,274
Refundable advances	28,422	55,773
Due to subrecipients	<u>2,735,011</u>	<u>3,025,204</u>
Total Liabilities	3,933,689	4,261,251
Net Assets:		
Net assets without donor restrictions	<u>2,213,381</u>	<u>1,920,173</u>
Total Liabilities and Net Assets	<u><u>\$ 6,147,070</u></u>	<u><u>\$ 6,181,424</u></u>

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

YEAR ENDED DECEMBER 31, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018)

	<u>2019</u>	<u>2018</u>
Support and Revenues:		
Public support - grants	\$ 23,801,266	\$ 25,387,591
Donated services	-	612
Other income	73,916	65,873
Total Support and Revenues	<u>23,875,182</u>	<u>25,454,076</u>
Expenses:		
Program Services:		
Older Americans Act	9,683,516	9,323,051
Nutrition Services Incentive Program	625,183	569,091
Aging Resource Center	439,299	484,273
Community Care for the Elderly	5,090,302	6,306,018
Home Care for the Elderly	802,827	1,004,620
Alzheimer's Disease Initiative	1,737,251	2,371,926
Emergency Home Energy Assistance Program (EHEAP)	409,178	424,116
Serving Health Insurance Needs of Elders (SHINE)	302,977	276,768
Medicare Improvements for Patients and Providers Act of 2008 (MIPPA)	54,680	66,336
Senior Medicare Patrol Program (SMP)	43,860	6,193
Medicaid waiver specialist	162,140	133,500
Local service provider	452,500	769,710
Other non-DOEA programs	2,452,905	2,155,803
Total Program Services	<u>22,256,618</u>	<u>23,891,405</u>
Supporting Services:		
Board operations	105,589	89,798
Management and general	1,219,767	1,136,905
Total Support Services	<u>1,325,356</u>	<u>1,226,703</u>
Total Expenses	<u>23,581,974</u>	<u>25,118,108</u>
Increase in net assets	293,208	335,968
Net assets without donor restrictions, beginning of year	1,920,173	1,584,205
Net assets without donor restrictions, end of year	<u>\$ 2,213,381</u>	<u>\$ 1,920,173</u>

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

YEAR ENDED DECEMBER 31, 2019

(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018)

	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	\$ 737,660	\$ -	\$ 290,153	\$ 197,989	\$ -	\$ 28,361	\$ -	\$ 168,605	\$ 32,504	\$ 34,407
Payroll taxes and benefits	151,033	-	72,079	32,407	-	4,849	-	33,792	4,084	5,881
Payroll leasing	3,574	-	1,313	1,056	-	136	-	943	203	170
Travel	14,712	-	577	127	-	50	-	9,087	10	57
Equipment rental	1,054	-	2,614	-	-	-	-	932	12	-
Occupancy costs	83,039	-	35,841	26,923	-	5,039	-	23,658	9,860	2,857
Printing and supplies	14,130	-	9,321	1,592	-	266	-	11,767	1,525	332
Communications and postage	12,094	-	16,403	3,040	-	1,343	-	11,426	1,102	36
Purchase and maintenance of equipment	7,404	-	2,101	3,168	-	62	-	9,482	151	31
Transfers to subrecipients	8,560,243	625,183	-	4,809,484	802,827	1,695,810	409,178	-	-	-
Program supplies	4,555	-	-	-	-	-	-	9,147	-	-
Insurance	5,166	-	2,409	1,506	-	300	-	1,410	620	-
Advertising	-	-	-	-	-	-	-	6,423	2,634	-
Professional fees	9,735	-	2,309	3,044	-	571	-	2,550	1,114	-
Other	79,117	-	4,179	9,966	-	464	-	13,755	861	89
Depreciation	-	-	-	-	-	-	-	-	-	-
Total Expenses Before Allocation	9,683,516	625,183	439,299	5,090,302	802,827	1,737,251	409,178	302,977	54,680	43,860
Allocation of management and general	530,702	34,263	24,076	278,972	43,999	95,209	22,425	16,605	2,997	2,404
Total Expenses	\$ 10,214,218	\$ 659,446	\$ 463,375	\$ 5,369,274	\$ 846,826	\$ 1,832,460	\$ 431,603	\$ 319,582	\$ 57,677	\$ 46,264

See notes to the consolidated financial statements.

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

YEAR ENDED DECEMBER 31, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018)

	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 2019	Total 2018
Expenses:									
Salaries	\$ 119,865	\$ -	\$ 139,557	\$ 1,749,101	\$ 36,000	\$ 801,234	\$ 837,234	\$ 2,586,335	\$2,409,973
Payroll taxes and benefits	23,622	-	28,381	356,128	3,853	156,329	160,182	516,310	469,467
Payroll leasing	599	-	564	8,558	37	2,532	2,569	11,127	10,898
Travel	58	-	2,186	26,864	908	16,730	17,638	44,502	38,515
Equipment rental	-	-	93	4,705	-	4,151	4,151	8,856	9,997
Occupancy costs	11,182	-	10,228	208,627	(12,171)	88,654	76,483	285,110	298,150
Printing and supplies	2,378	-	2,333	43,644	1,959	10,288	12,247	55,891	49,247
Communications and postage	1,553	-	1,919	48,916	489	13,635	14,124	63,040	58,831
Purchase and maintenance of equipment	283	-	1,320	24,002	96	14,661	14,757	38,759	24,224
Transfers to subrecipients	-	452,500	2,061,261	19,416,486	-	-	-	19,416,486	21,287,874
Program supplies	-	-	7,762	21,464	1,517	-	1,517	22,981	17,365
Insurance	-	-	633	12,044	162	6,337	6,499	18,543	20,418
Advertising	-	-	-	9,057	1,930	2,019	3,949	13,006	19,396
Professional fees	1,443	-	1,147	21,913	7,045	40,947	47,992	69,905	50,595
Other	1,157	-	195,521	305,109	50,974	62,250	113,224	418,333	342,434
Depreciation	-	-	-	-	12,790	-	12,790	12,790	10,724
Total Expenses Before Allocation	162,140	452,500	2,452,905	22,256,618	105,589	1,219,767	1,325,356	23,581,974	25,118,108
Allocation of management and general	8,886	24,799	134,430	1,219,767	-	(1,219,767)	(1,219,767)	-	-
Total Expenses	\$ 171,026	\$ 477,299	\$ 2,587,335	\$ 23,476,385	\$ 105,589	\$ -	\$ 105,589	\$ 23,581,974	\$ 25,118,108

See notes to the consolidated financial statements.

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

YEAR ENDED DECEMBER 31, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Increase in net assets	\$ 293,208	\$ 335,968
Adjustments to reconcile increase in net assets to net cash flows from operating activities:		
Depreciation	12,790	10,724
(Increase) decrease in:		
Due from grantors	992,162	(734,192)
Accounts receivable - other	3,258	(1,681)
Prepaid expenses and other assets	(5,054)	(6,823)
Increase (decrease) in:		
Accounts payable and accrued expenses	(10,018)	198,631
Refundable advances	(27,351)	(118,165)
Due to subrecipients	(290,193)	593,647
Net cash flows from operating activities	<u>968,802</u>	<u>278,109</u>
Cash flows from investing activities:		
Purchase of investments	(597,501)	-
Purchase of furniture and equipment	(20,741)	(11,109)
Net cash flows from investing activities	<u>(618,242)</u>	<u>(11,109)</u>
Net increase in cash and cash equivalents	350,560	267,000
Cash and cash equivalents, beginning of year	<u>1,547,522</u>	<u>1,280,522</u>
Cash and cash equivalents, end of year	<u>\$ 1,898,082</u>	<u>\$ 1,547,522</u>

SENIOR CONNECTION CENTER, INC. AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

Nature of Activities – Senior Connection Center, Inc. (“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 SCC relate to assisting the elderly. Financial resources for accomplishment of the activities of SCC are principally in the form of federal and state government grants. SCC awards contracts to service providers who directly provide the services to the aging population.

Principles of Consolidation – The consolidated financial statements include the accounts of 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.

Investments – Investments are carried at fair value based on the published quotations from the national exchanges. Investment earnings (including interest and gains and losses) are reflected as other income in the accompanying consolidated statement of activities.

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 (“U.S. 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.

Due from Grantors – Amounts due from grantors represent amounts receivable from grantor agencies for allowable expenses incurred on or before December 31, 2019. 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 2019, 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, 2019.

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.

SENIOR CONNECTION CENTER, INC. AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

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

In-Kind Contributions – Contributions of noncash assets are recorded at estimated fair value in the period received. In accordance with U.S. 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”; however, there were no in-kind contributions recognized in the consolidated statement of activities for the year ended December 31, 2019.

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 \$312,000 for the year ended December 31, 2019.

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. Management believes that the Organization continues to satisfy the requirements of a tax-exempt organization as of December 31, 2019.

Functional Allocation of 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.

Use of Estimates – The preparation of consolidated financial statements in accordance with U.S. 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 2018 – 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 accordance with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization’s consolidated financial statements for the year ended December 31, 2018, 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, 2019 was approximately \$13,000.

Subsequent Events – The Organization has evaluated subsequent events through June 29, 2020 in connection with the preparation of these consolidated financial statements, which is the date the consolidated statements were available to be issued (see Note 10).

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

DECEMBER 31, 2019

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, 2019, the Organization had bank balances of approximately \$1,708,000 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—Assets measured at fair value

Fair Value Measurements – The Organization records certain assets at fair value in accordance with U.S. GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. U.S. GAAP also established a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The three levels of inputs that may be used to measure fair value:

Level 1 – Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;

Level 2 – Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies; and

Level 3 – Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The Organization measures certain assets at fair value using the following inputs:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
December 31, 2019				
Treasury Bills	\$ 597,501	\$ -	\$ -	\$ 597,501

These amounts are included in investments on the statements of financial position.

SENIOR CONNECTION CENTER, INC. AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

Note 4—Furniture and equipment

A summary of furniture and equipment at December 31, 2019 is as follows:

Furniture and office equipment	\$	169,638
Computer equipment and software		81,432
Leasehold improvements		1,890
Less accumulated depreciation		(218,516)
	\$	<u>34,444</u>

Note 5—Lease commitments

The Organization has entered into noncancelable operating lease agreements for office equipment and office space which expire through August 2024. Total rent expense for the year ended December 31, 2019 was approximately \$268,000 and is included in the occupancy costs on the consolidated statement of functional expenses.

The total minimum future lease commitments at December 31, 2019 are due as follows:

2020	\$	208,810
2021		202,128
2022		73,756
2023		12,756
2024		8,504
	\$	<u>505,954</u>

Note 6—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 2019 and no amounts outstanding at December 31, 2019. The lines of credit mature in February 2021.

Note 7—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 2019, 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, 2019 was approximately \$132,000.

Note 8—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, 2019

Note 9—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 treasury bills. The Organization relies on grant income to meet operating needs. Public support for the year ended December 31, 2019 was approximately \$23,800,000. Additionally, as described in Note 6, 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, 2019 to pay operating expenses.

Financial assets available to meet cash needs for general expenditures within one year as of December 31, 2019 consist of the following:

Financial assets as of year-end:

Cash	\$ 1,898,082
Investments	597,501
Due from grantors	3,520,366
Other receivables	<u>2,361</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 6,018,310</u></u>

Note 10—Subsequent events

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus as a global pandemic which continues to spread throughout the world and has adversely impacted global commercial activity. The coronavirus outbreak and government responses have created disruption in global supply chains and have impacted many industries. The outbreak could have a continued material adverse impact on economic and market conditions and could trigger a period of global economic shutdown. The rapid development and fluidity of this situation precludes and prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Organization, its performance, and its financial results.

SUPPLEMENTARY INFORMATION

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

YEAR ENDED DECEMBER 31, 2019

FEDERAL AWARDS:	CFDA Number	Contract Grant Number	Federal Expenditures	Passed through to Subrecipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed through the State of Florida - Department of Elder Affairs</i>				
Administration on Aging				
Special Programs for the Aging - Title IIID, 01/01/2019 - 12/31/2019 (OAA Title IIID Health & Wellness Promotion)	93.043	FA019	\$ 171,878	\$ -
National Family Caregiver Support - Title IIIE, 01/01/2019 - 12/31/2019	93.052	FA019	1,245,053	878,036
Special Programs for the Aging - Title VII, 01/01/2019 - 12/31/2019 (OAA Title VII Elder Abuse Prevention)	93.041	F7019	21,267	-
Aging Cluster				
Special Programs for the Aging - Title III Admin, 01/01/2019 - 12/31/2019	93.044	FA019	996,176	-
Special Programs for the Aging - Title IIIB, 01/01/2019 - 12/31/2019	93.044	FA019	3,182,814	2,612,113
Special Programs for the Aging - Title IIIC, 01/01/2019 - 12/31/2019	93.045	FA019	5,070,095	5,070,095
Nutrition Services Incentive Program, 01/01/2019 - 12/31/2019	93.053	FA019	625,182	625,182
Total Aging Cluster			<u>9,874,267</u>	<u>8,307,390</u>
Total Administration on Aging			<u>11,312,465</u>	<u>9,185,426</u>
Medicare Enrollment Assistance Program				
Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), 09/30/2018-09/29/2019	93.071	FB018	42,211	-
Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), 09/30/2019-09/29/2020	93.071	FB019	12,765	-
Total Medicare Enrollment Assistance Program			<u>54,976</u>	<u>-</u>
Senior Medicare Patrol Program				
Senior Medicare Patrol Program (SMP), 06/01/2018 - 05/31/2019	93.048	FG018	16,738	-
06/01/2019 - 05/31/2020	93.048	FG019	27,284	-
Total Senior Medicare Patrol Program			<u>44,022</u>	<u>-</u>
Low-Income Home Energy Assistance Program				
Low-Income Home Energy Assistance, 10/01/2018 - 09/30/2019	93.568	FP018	343,919	312,246
Low-Income Home Energy Assistance, 10/01/2019 - 09/30/2020	93.568	FP019	109,765	96,933
Total Low-Income Home Energy Assistance Program			<u>453,684</u>	<u>409,179</u>
Centers for Medicare and Medicaid Services				
Medical Assistance Program				
Medical Assistance Program, 07/01/2018 - 06/30/2019	93.778	FX017.A2	145,241	-
Medical Assistance Program, 07/01/2019 - 06/30/2020	93.778	FX017.A4	157,553	-
Total Medical Assistance Program			<u>302,794</u>	<u>-</u>
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations Program				
Centers for Medicare and Medicaid Services Research, 04/01/2018 - 03/31/2019	93.779	FN018	83,629	-
Centers for Medicare and Medicaid Services Research, 04/01/2019 - 03/31/2020	93.779	FN019	220,679	-
Total Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations Program			<u>304,308</u>	<u>-</u>
Total Centers for Medicare and Medicaid Services			<u>607,102</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 12,472,249</u>	<u>\$ 9,594,605</u>

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

YEAR ENDED DECEMBER 31, 2019

STATE FINANCIAL ASSISTANCE:	CSFA Number	Contract Grant Number	State Expenditures	Passed through to Subrecipients
State of Florida - Department of Elder Affairs				
Home Care for the Elderly Program				
Home Care for the Elderly, 07/01/2018 - 06/30/2019	65.001	FH018	\$ 467,839	\$ 431,719
Home Care for the Elderly, 07/01/2019 - 06/30/2020	65.001	FH019	415,209	371,109
Total Home Care for the Elderly Program			883,048	802,828
Alzheimer Model Day Care Program				
Alzheimer Model Day Care, 07/01/2018 - 06/30/2019	65.002	FZ018	20,263	20,263
Alzheimer Model Day Care, 07/01/2019 - 06/30/2020	65.002	FZ019	20,598	20,598
Total Alzheimer Model Day Care Program			40,861	40,861
Alzheimer's Respite Services Program				
Alzheimer's Respite Services, 07/01/2018 - 06/30/2019	65.004	FZ018	845,621	845,621
Alzheimer's Respite Services, 07/01/2019 - 06/30/2020	65.004	FZ019	852,159	852,159
Total Alzheimer's Respite Services Program			1,697,780	1,697,780
Local Services Program				
Local Services Program, 07/01/2018 - 06/30/2019	65.009	FL018	348,877	347,516
Local Services Program, 07/01/2019 - 06/30/2020	65.009	FL019	106,050	104,988
Total Local Services Program			454,927	452,504
Community Care for the Elderly Program				
Community Care for the Elderly, 07/01/2018 - 06/30/2019	65.010	FC018	2,705,242	2,543,339
Community Care for the Elderly, 07/01/2019 - 06/30/2020	65.010	FC019	2,450,184	2,266,145
Total Community Care for the Elderly Program			5,155,426	4,809,484
Total Expenditures of State Financial Assistance			\$ 8,232,042	\$ 7,803,457

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

DECEMBER 31, 2019

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 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, 2019.

COMPLIANCE REPORTS

**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, 2019, 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 June 29, 2020.

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.

Cherry Bekavert LLP

Tampa, Florida
June 29, 2020

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, 2019. 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, 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 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.

Cherry Bekavert LLP

Tampa, Florida
June 29, 2020

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

YEAR ENDED DECEMBER 31, 2019

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 x no

Significant deficiency(ies) identified not considered to be material weakness(es)?

_____ yes x none reported

Noncompliance material to financial statements noted?

_____ yes x no

Federal Awards and State Financial Assistance Section

Internal control over major programs:

Material weakness(es) identified?

_____ yes x no

Significant deficiency(ies) identified not considered to be material weakness(es)?

_____ yes x none reported

Type of auditor's report on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.650?

_____ yes x no

Identification of the major federal programs:

Name of Federal Program or Cluster

CFDA Number(s)

Department of Health and Human Services

Aging Cluster:

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

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

YEAR ENDED DECEMBER 31, 2019

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		
Home Care for the Elderly Program	65.001	
Community Care for the Elderly Program	65.010	
Dollar threshold used to distinguish between type A and type B programs:		
Federal		\$750,000
State		\$750,000
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.