

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, 2020, 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, 2020, 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 2019 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 29, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Supplementary 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 August 11, 2021, 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 Bekaert LLP

Tampa, Florida
August 11, 2021

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

DECEMBER 31, 2020

(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019)

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets:		
Cash	\$ 1,812,029	\$ 1,898,082
Investments	499,863	597,501
Due from grantors	3,481,654	3,520,366
Accounts receivable - other	790	2,361
Prepaid expenses and other assets	105,727	94,316
Total Current Assets	5,900,063	6,112,626
Furniture and equipment, net	40,182	34,444
Total Assets	<u>\$ 5,940,245</u>	<u>\$ 6,147,070</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 1,004,699	\$ 1,170,256
Refundable advances	105,440	28,422
Due to subrecipients	2,388,057	2,735,011
Total Liabilities	3,498,196	3,933,689
Net Assets Without Donor Restrictions	2,442,049	2,213,381
Total Liabilities and Net Assets	<u>\$ 5,940,245</u>	<u>\$ 6,147,070</u>

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

YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019)

	2020	2019
Support and Revenues:		
Public support - grants	\$ 29,854,680	\$ 23,801,266
Donated services	3,858	-
Other income	60,030	73,916
Total Support and Revenues	<u>29,918,568</u>	<u>23,875,182</u>
Expenses:		
Program Services:		
Older Americans Act	13,662,168	9,683,516
Nutrition Services Incentive Program	709,239	625,183
Aging Resource Center	713,131	439,299
Community Care for the Elderly	5,990,361	5,090,302
Home Care for the Elderly	907,663	802,827
Alzheimer's Disease Initiative	2,247,013	1,737,251
Emergency Home Energy Assistance Program (EHEAP)	454,143	409,178
Serving Health Insurance Needs of Elders (SHINE)	250,981	302,977
Medicare Improvements for Patients and Providers Act of 2008 (MIPPA)	62,063	54,680
Senior Medicare Patrol Program (SMP)	54,772	43,860
Medicaid waiver specialist	186,255	162,140
Local service provider	208,955	452,500
Other non-DOEA programs	2,598,974	2,452,905
Total Program Services	<u>28,045,718</u>	<u>22,256,618</u>
Supporting Services:		
Board operations	273,708	105,589
Management and general	1,370,474	1,219,767
Total Support Services	<u>1,644,182</u>	<u>1,325,356</u>
Total Expenses	<u>29,689,900</u>	<u>23,581,974</u>
Increase in net assets	228,668	293,208
Net assets without donor restrictions, beginning of year	2,213,381	1,920,173
Net assets without donor restrictions, end of year	<u>\$ 2,442,049</u>	<u>\$ 2,213,381</u>

OR CONNECTION CENTER, INC. AND AFFILIATE
SOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

ENDED DECEMBER 31, 2020
 H SUMMARIZED FINANCIAL INFORMATION FOR 2019)

	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:	\$ 713,348	\$ -	\$ 435,886	\$ 168,648	\$ -	\$ 49,390	\$ -	\$ 141,109	\$ 30,423	\$ 39,999
Ill taxes and benefits	163,206	-	99,140	31,577	-	10,339	-	26,688	3,209	6,448
Leasing	3,348	-	2,048	797	-	250	-	705	166	-
Telephone	3,059	-	108	51	-	1	-	1,408	-	-
Equipment rental	1,969	-	4,771	455	-	276	-	922	677	-
Printing and copy costs	67,955	-	46,719	26,351	-	4,831	-	21,730	8,436	4,221
Supplies	11,559	-	6,594	2,216	-	853	-	4,667	2,282	2,067
Postage and communications	13,788	-	14,794	3,212	-	1,638	-	13,159	1,042	507
Equipment and maintenance	3,803	-	1,241	1,047	-	122	-	3,264	286	587
Equipment and maintenance of equipment	12,595,062	709,239	-	5,737,771	907,663	2,169,558	454,143	-	-	-
Supplies	2,543	-	-	-	-	-	-	7,915	-	-
Insurance	4,880	-	2,453	1,651	-	304	-	1,412	593	237
Professional fees	8,723	-	4,200	3,044	-	598	-	2,067	5,449	-
Association	68,825	-	95,177	13,541	-	8,853	-	2,674	1,148	457
Other	-	-	-	-	-	-	-	23,261	8,352	-
Total Expenses Before Allocation	13,662,168	709,239	713,131	5,990,361	907,663	2,247,013	454,143	250,981	62,063	54,777
Allocation of management and general	667,612	34,657	34,848	292,723	44,354	109,802	22,192	12,264	3,033	2,625
Total Expenses	\$ 14,329,780	\$ 743,896	\$ 747,979	\$ 6,283,084	\$ 952,017	\$ 2,356,815	\$ 476,335	\$ 263,245	\$ 65,096	\$ 57,402

accompanying notes to the consolidated financial statements are an integral part of this statement.

FOR CONNECTION CENTER, INC. AND AFFILIATE
SOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)

ENDED DECEMBER 31, 2020
 H SUMMARIZED FINANCIAL INFORMATION FOR 2019)

	Program Services				Supporting Services				Total 2019
	Medicaid Waiver Specialist	Local Service Provider	Non-DOEA Programs	Total Program Services	Board Operations	Management and General	Total Supporting Services	Total 2020	
Expenses	\$ 134,444	\$ -	\$ 97,084	\$ 1,810,253	\$ 117,295	\$ 970,785	\$ 1,088,080	\$ 2,888,333	\$ 2,586,333
All taxes and benefits	28,413	-	21,622	390,678	(917)	196,698	195,781	586,459	516,311
Leasing	593	-	316	8,455	120	2,945	3,065	11,520	11,121
Equipment rental	-	-	135	4,762	(20)	3,354	3,334	8,096	44,500
Facility costs	364	-	284	9,786	137	1,676	1,813	11,599	8,851
Printing and supplies	14,508	-	15,581	210,338	(17,083)	80,588	63,505	273,843	285,111
Communications and postage	1,904	-	1,348	33,588	2,062	17,855	19,917	53,505	55,891
Depreciation and maintenance of equipment	1,688	-	2,856	52,681	162	14,913	15,075	67,756	63,041
Travelers to service recipients	682	-	898	11,923	1,784	25,187	26,971	38,894	38,775
Program supplies	-	208,955	2,255,998	25,038,389	-	-	-	25,038,389	19,416,481
Insurance	229	-	1,824	10,458	424	-	424	10,882	24,481
Advertising	-	-	-	13,562	-	4,258	4,258	17,840	18,541
Professional fees	1,575	-	11,364	7,516	18,312	3,074	21,386	28,902	13,000
Association	1,855	-	189,664	33,325	1,806	52,008	53,814	87,140	69,900
Allocation	-	-	-	409,983	136,415	(2,867)	133,548	543,531	416,831
Allocation	-	-	-	-	13,211	-	13,211	13,211	12,791
Allocation	186,255	208,955	2,598,974	28,045,718	273,708	1,370,474	1,644,182	29,689,900	23,581,971
Allocation	9,101	10,211	127,002	1,370,475	-	(1,370,475)	(1,370,475)	-	-
Allocation	\$ 195,356	\$ 219,166	\$ 2,725,976	\$ 29,416,193	\$ 273,708	\$ (1)	\$ 273,707	\$ 29,689,900	\$ 23,581,971

Accompanying notes to the consolidated financial statements are an integral part of this statement.

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

YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Increase in net assets	\$ 228,668	\$ 293,208
Adjustments to reconcile increase in net assets to net cash flows from operating activities:		
Depreciation	13,211	12,790
Unrealized gain on sale of investments	(4,425)	-
Change in operating assets and liabilities:		
Due from grantors	38,712	992,162
Accounts receivable - other	1,571	3,258
Prepaid expenses and other assets	(11,411)	(5,054)
Accounts payable and accrued expenses	(165,557)	(10,018)
Refundable advances	77,018	(27,351)
Due to subrecipients	(346,954)	(290,193)
Net cash flows from operating activities	<u>(169,167)</u>	<u>968,802</u>
Cash flows from investing activities:		
Sale (purchase) of investments	102,063	(597,501)
Purchase of furniture and equipment	(18,949)	(20,741)
Net cash flows from investing activities	<u>83,114</u>	<u>(618,242)</u>
Net (decrease) increase in cash and cash equivalents	(86,053)	350,560
Cash and cash equivalents, beginning of year	1,898,082	1,547,522
Cash and cash equivalents, end of year	<u>\$ 1,812,029</u>	<u>\$ 1,898,082</u>

SENIOR CONNECTION CENTER, INC. AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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, 2020. 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 2020, 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, 2020.

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, 2020

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

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, 2020.

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 \$119,000 for the year ended December 31, 2020.

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, 2020.

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 2019 – 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, 2019, 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, 2020 was approximately \$29,000.

Subsequent Events – The Organization has evaluated subsequent events through August 11, 2021, in connection with the preparation of these consolidated financial statements, which is the date the consolidated statements were available to be issued.

SENIOR CONNECTION CENTER, INC. AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

New Accounting Pronouncement – In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the revenue recognition requirements in *Revenue Recognition (Topic 605)* and requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Subsequent to ASU 2014-09, FASB issued several related ASUs (collectively, “ASC 606”). The Organization adopted the provisions of ASC 606 as of January 1, 2020 using the modified retrospective approach, which resulted in no cumulative effect adjustment to net assets as of January 1, 2020. There was no change in the timing and amount of revenue recognition as a result of the adoption. Certain categories of revenue are not encompassed within the scope of the new ASU including public support and investment income (loss).

Note 2—Revenue

Revenue is recognized when the Organization transfers the promised good or services to a customer in an amount that reflects consideration that is expected to be received for those goods and services.

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

Note 3—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, 2020, the Organization had bank balances of approximately \$1,631,000 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 4—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.

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

DECEMBER 31, 2020

Note 4—Assets measured at fair value (continued)

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, 2020				
Treasury bills	\$ 499,863	\$ -	\$ -	\$ 499,863

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

Note 5—Furniture and equipment

A summary of furniture and equipment at December 31, 2020 is as follows:

Furniture and office equipment	\$ 169,789
Computer equipment and software	98,672
Leasehold improvements	1,890
Less accumulated depreciation	<u>(230,169)</u>
	<u>\$ 40,182</u>

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

DECEMBER 31, 2020

Note 6—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, 2020 was approximately \$257,000 and is included in the occupancy costs on the consolidated statement of functional expenses.

The total minimum future lease commitments at December 31, 2020 are due as follows:

2021	\$	235,643
2022		107,221
2023		46,271
2024		8,504
	\$	<u>397,639</u>

Note 7—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 2020 and no amounts outstanding at December 31, 2020. The lines of credit mature in February 2022.

Note 8—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 2020, 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, 2020 was approximately \$156,000.

Note 9—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, 2020

Note 10—Liquidity and availability of resources

Management has budgeted approximately \$32,000,000 of operating expenses to be paid within one year of the consolidated statement of financial position date. It is the practice of management to budget expenditures to equal budgeted funding for the year. 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, 2020 was approximately \$29,855,000. Additionally, as described in Note 7, 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, 2020 to pay operating expenses.

Financial assets available to meet cash needs for general expenditures within one year as of December 31, 2020 consist of the following:

Financial assets as of year-end:

Cash	\$	1,812,029
Investments		499,863
Due from grantors		3,481,654
Other receivables		790
Financial assets available to meet cash needs for general expenditures within one year	\$	<u>5,794,336</u>

SUPPLEMENTARY INFORMATION

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

YEAR ENDED DECEMBER 31, 2020

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, 01/01/2020 - 12/31/2020 (OAA Title IIID Health & Wellness Promotion)	93.043	FA020	\$ 132,117	\$ -
National Family Caregiver Support - Title IIIE, 01/01/2020 - 12/31/2020	93.052	FA020	695,023	559,659
COVID-19 - National Family Caregiver Support - Title IIIE, 04/01/2020 - 09/30/2021	93.052	FCA020	652,063	463,939
Total National Family Caregiver Support			<u>1,347,086</u>	<u>1,023,598</u>
Special Programs for the Aging - Title VII, 01/01/2020 - 12/31/2020 (OAA Title VII Elder Abuse Prevention)	93.041	F7020	21,267	-
Aging Cluster				
Special Programs for the Aging - Title III Admin, 01/01/2020 - 12/31/2020	93.044	FA020	475,939	-
COVID-19 - Special Programs for the Aging - Title III Admin, 04/01/2020 - 09/30/2021	93.044	FCA020	542,177	-
Special Programs for the Aging - Title IIIB, 01/01/2020 - 12/31/2020	93.044	FA020	1,765,976	1,424,958
COVID-19 - Special Programs for the Aging - Title IIIB, 04/01/2020 - 09/30/2021	93.044	FCA020	1,215,796	1,008,598
Special Programs for the Aging - Title IIIC, 01/01/2020 - 12/31/2020	93.045	FA020	6,022,643	5,831,641
COVID-19 - Special Programs for the Aging - Title IIIC, 04/01/2020 - 09/30/2021	93.045	FCA020	3,306,556	3,306,556
Nutrition Services Incentive Program, 01/01/2020 - 12/31/2020	93.053	FA020	709,240	709,240
COVID-19 - CARES Act No Wrong Door 07/01/2020 - 06/30/2021	93.044	FXC20	100,615	-
Total Aging Cluster			<u>14,138,942</u>	<u>12,280,993</u>
Total Administration on Aging			<u>15,639,412</u>	<u>13,304,591</u>
Medicare Enrollment Assistance Program				
Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), 09/30/2019-09/29/2020	93.071	FB020	46,302	-
Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), 10/01/2020-08/31/2021	93.071	FB021	16,139	-
Total Medicare Enrollment Assistance Program			<u>62,441</u>	<u>-</u>
Senior Medicare Patrol Program				
Senior Medicare Patrol Program (SMP), 06/01/2019 - 05/31/2020	93.048	FG019	21,910	-
06/01/2020 - 05/31/2021	93.048	FG020	33,042	-
Total Senior Medicare Patrol Program			<u>54,952</u>	<u>-</u>
Low-Income Home Energy Assistance Program				
Low-Income Home Energy Assistance, 10/01/2019 - 03/31/2021	93.568	FP019	401,457	366,949
COVID-19 - Low-Income Home Energy Assistance, 06/01/2020 - 09/30/2021	93.568	FPC20	87,194	87,194
Total Low-Income Home Energy Assistance Program			<u>488,651</u>	<u>454,143</u>

(continued)

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

YEAR ENDED DECEMBER 31, 2020

FEDERAL AWARDS:	CFDA Number	Contract Grant Number	Federal Expenditures	Passed Through to Subrecipients
Centers for Medicare and Medicaid Services				
Medical Assistance Program				
Medical Assistance Program, 07/01/2019 - 06/30/2020	93.778	FX017.A4	\$ 146,877	\$ -
Medical Assistance Program, 07/01/2020 - 06/30/2021	93.778	FX020	253,652	-
Total Medical Assistance Program			<u>400,529</u>	<u>-</u>
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations Program				
Centers for Medicare and Medicaid Services Research, 04/01/2019 - 03/31/2020	93.779	FN019	74,847	-
Centers for Medicare and Medicaid Services Research, 04/01/2020 - 03/31/2021	93.779	FN020	176,141	-
Total Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations Program			<u>250,988</u>	<u>-</u>
Total Centers for Medicare and Medicaid Services			<u>651,517</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 16,896,973</u>	<u>\$ 13,758,734</u>
STATE FINANCIAL ASSISTANCE:				
	CSFA Number	Contract Grant Number	State Expenditures	Passed Through to Subrecipients
<i>State of Florida - Department of Elder Affairs</i>				
Home Care for the Elderly Program				
Home Care for the Elderly, 07/01/2019 - 06/30/2020	65.001	FH019	\$ 510,186	\$ 476,340
Home Care for the Elderly, 07/01/2020 - 06/30/2021	65.001	FH020	471,699	431,325
Total Home Care for the Elderly Program			<u>981,885</u>	<u>907,665</u>
Alzheimer Model Day Care Program				
Alzheimer Model Day Care, 07/01/2019 - 06/30/2020	65.002	FZ019	13,411	13,411
Total Alzheimer Model Day Care Program			<u>13,411</u>	<u>13,411</u>
Alzheimer's Respite Services Program				
Alzheimer's Respite Services, 07/01/2019 - 06/30/2020	65.004	FZ019	1,227,295	1,182,643
Alzheimer's Respite Services, 07/01/2020 - 06/30/2021	65.004	FZ020	1,006,324	973,505
Total Alzheimer's Respite Services Program			<u>2,233,619</u>	<u>2,156,148</u>
Local Services Program				
Local Services Program, 07/01/2019 - 06/30/2020	65.009	FL019	156,950	154,364
Local Services Program, 07/01/2020 - 06/30/2021	65.009	FL020	56,430	54,591
Total Local Services Program			<u>213,380</u>	<u>208,955</u>
Community Care for the Elderly Program				
Community Care for the Elderly, 07/01/2019 - 06/30/2020	65.010	FC019	3,470,683	3,288,365
Community Care for the Elderly, 07/01/2020 - 06/30/2021	65.010	FC020	2,592,809	2,449,406
Total Community Care for the Elderly Program			<u>6,063,492</u>	<u>5,737,771</u>
Total Expenditures of State Financial Assistance			<u>\$ 9,505,787</u>	<u>\$ 9,023,950</u>

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

DECEMBER 31, 2020

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, 2020.

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, 2020, 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 August 11, 2021.

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") as a basis for designing 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 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 Bekaert LLP

Tampa, Florida
August 11, 2021

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, 2020. 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, 2020.

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 Bekaert LLP

Tampa, Florida
August 11, 2021

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

YEAR ENDED DECEMBER 31, 2020

Part I—Summary of Audit Results

Financial Statement Section

Type of auditor's report issued:	Unmodified	
<hr/>		
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	
<hr/>		
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

Identification of the major federal programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Numbers</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
COVID-19 – Special Programs for the Aging – Title IIIB	93.044
Special Programs for the Aging - Title IIIC	93.045
COVID-19 – Special Programs for the Aging – Title IIIC	93.045
Nutrition Services Incentive Program	93.053
COVID-19 – CARES Act No Wrong Door	93.044

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

YEAR ENDED DECEMBER 31, 2020

Part I—Summary of Audit Results (continued)

Identification of the major state financial assistance projects:

<u>Name of State Project</u>	<u>CSFA Numbers</u>
Department of Elder Affairs	
Community Care for the Elderly Program	65.010
Alzheimer's Respite Services Program	65.004

Dollar threshold used to distinguish between type A and type B programs:

Federal	\$750,000
State	\$750,000

Auditee qualified as low-risk auditee? x yes 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.