

Senior Connections, The Capital Area Agency on Aging

Financial Statements

September 30, 2020 and 2019



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SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors
Senior Connections, The Capital Area Agency on Aging
Richmond, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Senior Connections, The Capital Area Agency on Aging (the "Agency"), which comprise the statements of financial position as of September 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the 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 Agency'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 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 financial statements referred to above present fairly, in all material respects, the financial position of Senior Connections, The Capital Area Agency on Aging as of September 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information on pages 21 through 27 is presented for purposes of additional analysis of the financial statements rather than to present the financial position, activities, and cash flows of the Agency and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the 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 December 22, 2020, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Agency's internal control over financial reporting and compliance.



December 22, 2020
Glen Allen, Virginia

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Statements of Financial Position September 30, 2020 and 2019

<u>Assets</u>	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 1,602,255	\$ 1,117,630
Accounts receivable:		
Commonwealth of Virginia - Department for Aging and Rehabilitative Services	70,978	92,569
Other	75,277	71,166
Prepaid expenses	<u>93,411</u>	<u>7,269</u>
Total current assets	<u>1,841,921</u>	<u>1,288,634</u>
Property and equipment:		
Land	400,188	400,188
Building	573,413	573,413
Building improvements	<u>297,203</u>	<u>225,528</u>
	1,270,804	1,199,129
Less - accumulated depreciation	<u>(512,771)</u>	<u>(480,788)</u>
Property and equipment, net	<u>758,033</u>	<u>718,341</u>
Beneficial interest in assets held by the Community Foundation	<u>682,565</u>	<u>688,413</u>
Total assets	<u>\$ 3,282,519</u>	<u>\$ 2,695,388</u>

See accompanying notes to financial statements.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Statements of Financial Position, Continued
September 30, 2020 and 2019

<u>Liabilities and Net Assets</u>	<u>2020</u>	<u>2019</u>
Current liabilities:		
Accounts payable	\$ 140,116	\$ 259,703
Accrued wages and payroll liabilities	330,022	222,770
Unearned grant revenue	<u>357,546</u>	<u>246,989</u>
 Total liabilities	 <u>827,684</u>	 <u>729,462</u>
Net assets:		
Without donor restrictions	1,348,950	1,113,013
With donor restrictions	<u>1,105,885</u>	<u>852,913</u>
 Total net assets	 <u>2,454,835</u>	 <u>1,965,926</u>
 Total liabilities and net assets	 <u>\$ 3,282,519</u>	 <u>\$ 2,695,388</u>

See accompanying notes to financial statements.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Statement of Activities Year Ended September 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Virginia Department for Aging and Rehabilitative Services programs:			
Federal funds	\$ 3,929,779	\$ -	\$ 3,929,779
State funds	1,918,556	-	1,918,556
Other grant funds	63,114	78,201	141,315
Donations and fundraising	193,978	36,516	230,494
Local funds	114,250	-	114,250
Cash program income	26,964	5,872	32,836
	6,246,641	120,589	6,367,230
Corporation for National and Community Services:			
Federal funds	318,332	-	318,332
Donations and fundraising	20,966	-	20,966
	339,298	-	339,298
Other support and revenue:			
Federal funds	147,602	-	147,602
Other grant funds	1,564	503,793	505,357
Rent	29,206	-	29,206
Corporate services	94,687	66,514	161,201
Interest income	1,622	-	1,622
Change in beneficial interest - Community Foundation	-	(5,848)	(5,848)
	274,681	564,459	839,140
Total support and revenue	6,860,620	685,048	7,545,668
Net assets released from restriction	432,076	(432,076)	-
Expenses:			
Program services	6,837,056	-	6,837,056
Management and general	213,086	-	213,086
Fundraising	6,617	-	6,617
Total expenses	7,056,759	-	7,056,759
Change in net assets	235,937	252,972	488,909
Net assets, beginning of year	1,113,013	852,913	1,965,926
Net assets, end of year	\$ 1,348,950	\$ 1,105,885	\$ 2,454,835

See accompanying notes to financial statements.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Statement of Activities
Year Ended September 30, 2019

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Support and revenue:			
Virginia Department for Aging and Rehabilitative Services programs:			
Federal funds	\$ 3,641,217	\$ -	\$ 3,641,217
State funds	1,959,510	-	1,959,510
Other grant funds	268,167	-	268,167
Donations and fundraising	39,512	266,191	305,703
Local funds	135,447	-	135,447
Cash program income	31,470	12,308	43,778
	<u>6,075,323</u>	<u>278,499</u>	<u>6,353,822</u>
Corporation for National and Community Services:			
Federal funds	285,567	-	285,567
Donations and fundraising	37,694	-	37,694
	<u>323,261</u>	<u>-</u>	<u>323,261</u>
Other support and revenue:			
Federal funds	276,241	-	276,241
Rent	27,432	-	27,432
Corporate services	77,999	-	77,999
Interest Income	2,901	-	2,901
Change in beneficial interest - Community Foundation	-	10,220	10,220
	<u>384,573</u>	<u>10,220</u>	<u>394,793</u>
Total support and revenue	<u>6,783,157</u>	<u>288,719</u>	<u>7,071,876</u>
Net assets released from restriction	<u>211,871</u>	<u>(211,871)</u>	<u>-</u>
Expenses:			
Program services	6,566,406	-	6,566,406
Management and general	221,877	-	221,877
Fundraising	9,991	-	9,991
Total expenses	<u>6,798,274</u>	<u>-</u>	<u>6,798,274</u>
Change in net assets	196,754	76,848	273,602
Net assets, beginning of year	<u>916,259</u>	<u>776,065</u>	<u>1,692,324</u>
Net assets, end of year	<u>\$ 1,113,013</u>	<u>\$ 852,913</u>	<u>\$ 1,965,926</u>

See accompanying notes to financial statements.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Statements of Functional Expenses Years Ended September 30, 2020 and 2019

	2020	2019
Program services:		
Salaries and fringe benefits	\$ 3,590,367	\$ 3,370,740
Meals and delivery	1,138,500	880,515
Professional fees	401,396	256,997
Transportation	303,221	564,697
Enrollee wages - senior employment program	242,724	269,633
Building, maintenance and space costs	217,417	191,141
Emergency services	147,243	74,488
Stipends - foster grandparents program	140,329	126,373
Short-term personal care services	115,248	104,970
Adult day care services	94,354	126,553
Office	89,561	213,992
Travel	63,328	114,351
Insurance	61,029	54,606
Other Program services	34,677	19,803
Equipment	33,845	58,212
Depreciation	31,984	31,029
Printing and publications	28,988	31,963
Legal aid services	28,000	26,000
Homemaker companion	22,650	13,762
Employment and job training services	33,455	17,661
Training	8,814	5,867
Contributions	5,000	5,000
Volunteer recognition	4,181	5,623
Medical services	745	2,430
Total program services	6,837,056	6,566,406
Management and general:		
Salaries and fringe benefits	185,456	196,076
Office	14,046	14,176
Building, maintenance and space costs	13,584	11,625
Total management and general	213,086	221,877
Fundraising:		
Event costs	4,302	5,843
Salaries and fringe benefits	2,315	4,148
Total fundraising	6,617	9,991
Total expenses	\$ 7,056,759	\$ 6,798,274

See accompanying notes to financial statements.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Statements of Cash Flows Years Ended September 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 488,909	\$ 273,602
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	31,984	31,029
Contributions restricted for long-term purposes	(100,000)	-
Loss (gain) on beneficial interest in assets held by the Community Foundation	5,848	(10,220)
Change in operating assets and liabilities:		
Accounts receivable	17,480	(69,884)
Prepaid expenses	(86,142)	(3,745)
Accounts payable	(119,587)	116,369
Accrued wages and payroll liabilities	107,252	41,361
Unearned grant revenue	110,557	102,111
	456,301	480,623
 Cash flows from investing activities:		
Distribution from beneficial interest in assets held by the Community Foundation	-	35,600
Purchases of property and equipment	(71,676)	-
	(71,676)	35,600
 Cash flows from financing activities:		
Contributions restricted for long-term purposes	100,000	-
	484,625	516,223
Net change in cash and cash equivalents		
	1,117,630	601,407
Cash and cash equivalents, beginning of year		
	\$ 1,602,255	\$ 1,117,630

See accompanying notes to financial statements.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Notes to Financial Statements

1. Nature of Operations:

Senior Connections (the “Agency”) is the designated Area Agency on Aging for Planning District 15. The Planning District includes the City of Richmond and the Counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent and Powhatan. The Agency was established in 1973 as a private, nonprofit 501(c)(3) organization governed by a Board of Directors and receives additional guidance from a diverse Advisory Council. Senior Connections provides direct services, information and referral, education and advocacy for older adults, caregivers and persons with disabilities. The Agency receives federal funding under the provisions of the Older Americans Act and state funds administered by the Virginia Department for Aging and Rehabilitative Services (“DARS”). Federal funds from the Corporation for National and Community Service supports the Foster Grandparent Mentors Program and the Retired and Senior Volunteer Program (RSVP). Funding is also provided by city and county governments as well as the corporate and foundation community. As a nonprofit, the Agency accepts donations of items, services, monetary gifts and memorials. The Agency also serves as the Region’s No Wrong Door Services Program. Additionally, Senior Connections has joined with other community partners to develop and implement the first Age Wave Readiness Plan for the Richmond Region. This initiative is now known as the Longevity Project.

Senior Connections’ strategic focus areas for the next five years are:

- Visibility and Marketing
- Programs and Services
- Funding and Resources
- Sustainability
- Measurement and Evaluation

Our Vision

“Seniors with improved quality of life.”

Our Mission

“Empowering seniors to live with dignity and choice.”

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Notes to Financial Statements, Continued

2. Summary of Significant Accounting Policies:

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("GAAP") as determined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC").

Basis of Presentation: The financial statements are presented in accordance with FASB guidance, which establishes standards for financial statements issued by nonprofit organizations. It requires that net assets and related revenue and expenses be classified in two classes of net assets — net assets without donor restrictions and net assets with donor restrictions, based upon the existence or absence of donor-imposed restrictions. A definition and description of each net asset class follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions include the revenues and expenses of the primary operations of the Agency.

Net Assets With Donor Restrictions – Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions, or are restricted to be held into perpetuity. Net assets with donor restrictions include donor-imposed stipulations for specific operating purposes. When a donor restriction expires, meaning the Agency has met the purpose restriction or the stipulated time period has passed, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statements of activities as net assets released from restrictions. Other donor-imposed restrictions are perpetual in nature, whereby the donor stipulates that they be maintained permanently by the Agency to use all or part of the income earned on any related investments for general or specific purposes, in accordance with the conditions of each specific donation.

Use of Estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and disclosure of contingent assets and liabilities for the reported periods. Actual results could differ from those estimates and assumptions.

Cash and Cash Equivalents: Cash and cash equivalents include cash on hand and cash in banks.

Accounts Receivable: Accounts receivable represent amounts due from grant revenues earned, billed and unbilled, but not yet received, and appropriations earned but unpaid from the local government entities in the Agency's service region as of the end of the fiscal year. The Agency uses the reserve method of accounting for doubtful accounts. The amount of doubtful accounts receivable was considered immaterial at September 30, 2020 and 2019, and no reserve was considered necessary.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Notes to Financial Statements, Continued

2. Summary of Significant Accounting Policies, Continued:

Concentration of Credit Risk: Financial instruments that potentially subject the Agency to concentration of credit risk consist principally of cash and cash equivalents, unsecured receivables, and investments. The Agency maintains its cash and cash equivalent balances in a large financial institution whose balances were fully insured by the Federal Deposit Insurance Corporation up to \$250,000. During 2020 and 2019, the Agency periodically had funds in excess of the insured limits.

Accounts receivable are from DARS, other federal agencies, local governments, and foundations. The Agency believes its credit risk related to these accounts receivable is limited due to the nature of its donors. The ability to collect receivables is affected by the general economic conditions.

Through its beneficial interest in assets held by the Community Foundation, the Agency invests in various investment securities, which are exposed to various risks, such as interest rate, credit, and overall volatility risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risk in the near term would affect the investment balances and the amount reported in the financial statements.

Property and Equipment: Office and service equipment acquired with grant funds are not the property of the Agency and are therefore shown as current period program expenditures. To maintain proper accountability over the physical control and cost of property and equipment, the cost of equipment and a related reserve account are carried on the statements of financial position. Accordingly, there is no depreciation for grant funded office and service equipment reflected in these financial statements. In the event of termination of the Agency's contract with DARS, all personal property acquired with DARS grant funds shall be returned to or disposed of as directed by the DARS.

The building currently occupied by the Agency was acquired and placed in service in October 1992. Depreciation is computed using the straight-line method over the estimated useful life of 15 to 40 years for the building and building improvements.

The Agency follows the capitalization policy of DARS, which allows capital equipment items purchased after October 1, 1996 with a cost \$5,000 or more to be capitalized as property and equipment. Items purchased prior to October 1, 1996 are under the old policy, which allowed items with a cost of \$500 or more to be capitalized as property and equipment.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Notes to Financial Statements, Continued

2. Summary of Significant Accounting Policies, Continued:

Vacation and Sick Compensation Accrual: Full-time employees may accrue annual vacation leave up to 187.5 hours, while part-time employees may accrue up to 47 hours. The annual maximum accrual was temporarily suspended for 2020 as a benefit for employees during the COVID-19 pandemic (see Note 8). Full-time employees may accrue up to \$2,500 for unused sick leave if the employment period is for at least ten years and up to \$1,500 for more than five but less than ten years.

Unearned Revenue: The Agency receives federal funds in advance for certain programs. These federal funds are recorded as unearned revenue until the related expenditures are incurred.

Functional Expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs, management and general, and fundraising based on recording organizational expenses in department categories that align with these functions. Direct program expenses represent payments for program partners and direct program salaries and fringe benefits. Indirect program expenses include administrative, development, IT personnel, and office and building costs. Management and general personnel, office, and computer equipment allocations are based on Agency salaries and fringe benefits. Building, maintenance, and depreciation allocations are based on square footage. Fundraising expenses represent salaries and fringe benefits, and costs directly related to fundraising event activities.

Income Taxes: The Agency is a qualifying non-profit entity as defined under section 501(c)(3) of the Internal Revenue Code and the tax statutes of the Commonwealth of Virginia and is therefore exempt from federal and state income taxation.

Income Tax Uncertainties: Management has evaluated the effects of accounting guidance related to uncertain income tax positions and concluded that the Agency had no significant financial statement exposure to uncertain income tax positions at September 30, 2020 or 2019. The Agency is not currently under audit by any tax jurisdictions.

Donations: Donations to the Agency consist of cash, donated services, supplies and equipment. Donations are recorded as support without donor restrictions or support with donor restrictions depending on the existence and/or nature of any donor restrictions.

All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Notes to Financial Statements, Continued

2. Summary of Significant Accounting Policies, Continued:

Donations, Continued: Donated services to the Agency include mentoring, routine physical exams, and lectures from qualified personnel. In order to be recognized in the financial statements of the Agency, donated services, supplies and equipment must have either (a) created or enhanced a nonfinancial asset or (b) required specialized skills, was provided by individuals possessing those skills, and would typically need to be purchased if they had not been contributed.

Donated services, supplies and equipment meeting these criteria are recorded as an expense or capitalized if applicable, at their fair market value at the time of donation, with an equivalent amount recorded as donated services, supplies and/or equipment.

The fair market value for services is based on the wage rates of comparable non-volunteer workers, and the fair market value for supplies and equipment is determined by the donor. For the year ended September 30, 2020, the Agency recognized \$31,661 of donated services, supplies, and equipment. For the year ended September 30, 2019, the Agency recognized \$106,224 of donated services, supplies, and equipment.

Newly Adopted Accounting Standards:

In May 2014, the FASB issued Accounting Standards Update (“ASU”) No. 2014-09, “Revenue from Contracts with Customers (Topic 606)”. The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Agency adopted the new standard effective October 1, 2019, the first day of the Agency’s fiscal year, using the modified retrospective approach. The adoption of this ASU did not have a material impact on the financial statements.

In June 2018, the FASB issued ASU No. 2018-08, “Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made”, which is intended to provide specific criteria to determine whether a contract or agreement should be accounted for as a contribution or as an exchange transaction. The ASU provides a framework for determining whether a contribution is conditional or unconditional. Prior to the ASU, FASB’s new revenue recognition standard eliminated exchange guidance and added additional disclosure requirements that are not relevant to these types of transactions. Specific to contribution or grants received by the Agency, the amendments in this ASU are effective for fiscal years beginning after December 15, 2018 with early adoption permitted. Specific to contributions or grants awarded by the Agency, the amendments in this ASU are effective for fiscal years beginning after December 15, 2019 with early adoption permitted. The Agency adopted this guidance for the year ended September 30, 2020 with retrospective presentation in the financial statements. This adoption had no material impact on the financial statements.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Notes to Financial Statements, Continued

2. Summary of Significant Accounting Policies, Continued:

Newly Adopted Accounting Standards, Continued:

In August 2018, the FASB issued ASU No. 2018-13, "Fair Value Measurement (Topic 920): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement", which is part of the disclosure framework project intended to improve the effectiveness of disclosures in the notes to financial statements by facilitating clear communication of the information required by GAAP. This ASU removes and simplifies certain of the disclosures required for fair value measurement (Note 3). The ASU is effective for fiscal years beginning after December 15, 2019, with early adoption permitted. The Agency adopted this guidance for the year ended September 30, 2020. The adoption of this ASU did not have a material impact on the financial statements.

Subsequent Events: Management has evaluated subsequent events through December 22, 2020, the date the financial statements were available for issuance, and has determined there are no subsequent events to be reported in the accompanying financial statements.

3. Fair Value Measurements:

The Agency follows FASB guidance for fair value measurements. The provisions of the guidance provides a framework for measuring fair value under GAAP and defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (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.

Such guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Agency has the ability to access.
- Level 2 Quoted prices for similar instruments in active and inactive markets; and model driven valuations with significant inputs and drivers derived from observable active markets.
- Level 3 Inputs to the valuation methodology are unobservable for the instrument and significant to the fair value measurement.

Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Notes to Financial Statements, Continued

3. Fair Value Measurements, Continued:

The beneficial interest in assets held by the Community Foundation is valued at fair value as determined by the Community Foundation whose investments are primarily invested with The Richmond Fund, LP (the "Fund"). The Fund is valued by the general partner of the Fund based on several criteria established in the Fund's operating agreement. The Fund operates as a fund of funds and, as such, the general partner reviews the fair values of each underlying funds based on available information. The Fund undergoes an independent audit twice per year (6/30 and 12/31). There are no additional funding requirements related to the Fund.

Assets and liabilities measured at fair value on a recurring basis at September 30, 2020, include the following:

	Fair Value Using			Assets at
	Level 1	Level 2	Level 3	Fair Value
Assets:				
Beneficial interest in assets held by the Community Foundation	\$ -	\$ -	\$ 682,565	\$ 682,565

Assets and liabilities measured at fair value on a recurring basis at September 30, 2019, include the following:

	Fair Value Using			Assets at
	Level 1	Level 2	Level 3	Fair Value
Assets:				
Beneficial interest in assets held by The Community Foundation	\$ -	\$ -	\$ 688,413	\$ 688,413

There were no contributions to or distributions from the Fund during the year ended September 30, 2020. The Agency received distributions amounting to \$35,600 during the year ended September 30, 2019.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Notes to Financial Statements, Continued

4. Net Assets With Donor Restrictions:

Net assets with donor restrictions are restricted to be used towards the following specified program services at September 30:

	2020	2019
Care Transitions	\$ 130,952	\$ -
Capital Campaign	100,000	-
Age Wave	62,037	91,823
Guardianship	47,573	39,500
Ride Connection	31,664	-
Housing Stability	24,834	18,702
Adopt a Café	14,734	7,293
No Wrong Door	5,221	851
IIIB I&A	5,038	5,802
COVID-19: RMHF	1,267	-
 Total subject to expenditure for a specified purpose	 423,320	 164,500
 Beneficial interest in assets held by the Community Foundation	 682,565	 688,413
	 \$ 1,105,885	 \$ 852,913

Net assets with donor restrictions were released from donor restrictions by incurring expenses to satisfy the following restricted purposes for the years ended September 30:

	2020	2019
Age Wave	\$ 192,035	\$ 113,561
Care Transitions	133,977	-
Guardianship	39,704	10,044
Housing Stability	24,700	18,145
COVID-19: RMHF	18,733	-
Ride Connection	7,293	31,188
No Wrong Door	7,191	12,144
Other Program Services	5,872	21,417
Adopt a Café	1,641	2,670
VICAP Basic	930	2,702
	 \$ 432,076	 \$ 211,871

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Notes to Financial Statements, Continued

5. **Federal and State Funding:**

The major federal and state funding sources for the Agency are the Commonwealth of Virginia, including a significant portion from the Department for Aging and Rehabilitative Services and the United States Departments of Health & Human Services and Labor.

Revenues are recorded for major grants as received based on authorized expenditures, as requested advances against future expenditures are received, and at year-end as earned, based on authorized expenditures. The Agency's major grants are on an advance basis for earned revenue. Grant funds recorded in excess of applicable expenditures are considered unearned at year-end and subject to the carryover provisions of the funding source.

6. **Retirement Plan:**

Effective January 1, 1998, the Agency converted its money purchase pension plan to a 401(k) retirement plan covering all employees who are at least 21 years old and have been employed by the Agency for more than one year. The amendment to the plan allows employees to reduce their compensation and have these amounts contributed to the plan on their behalf. Effective October 1, 2007, this plan was converted to a 403(b) defined contribution retirement plan. The Agency's current contribution and cost are 8% of covered employees' compensation and totaled \$184,969 for 2020 and \$176,376 for 2019.

7. **Beneficial Interest in Assets Held by the Community Foundation:**

The CAAA Foundation (the "Foundation") was organized in March 1993 with the objective of receiving and soliciting donations from various sources to help meet the basic human needs mission of the Agency. Prior to the year ended September 30, 1997, three of the fifteen members of the Board were appointed by the Board of Directors of the Agency.

Effective during the year ended September 30, 1997, the by-laws of the Foundation and the Agency were amended to provide for the election of twelve (12) of the fifteen (15) members of the Foundation's Board by the Agency's Board. As a result of this change, the Foundation's financial position, changes in its net assets, and cash flows were consolidated with that of the Agency for financial statement purposes.

On March 28, 2001, the State Corporation Commission of Virginia accepted the Foundation's application of its dissolution. The Foundation's Board continued to meet after this date for the purpose of transferring net assets. The Foundation's Board resolved to transfer the remaining assets of the Foundation to the Agency. In lieu of the Agency's Board establishing a development committee for the purpose of continuing to further the objectives of the Foundation, the Foundation and Agency's Boards resolved to transfer the assets to a separate, unaffiliated non-profit entity, the Community Foundation for a Greater Richmond (the "Community Foundation").

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Notes to Financial Statements, Continued

7. **Beneficial Interest in Assets Held by the Community Foundation, Continued:**

The Community Foundation established the “Senior Connections Endowment Fund” (the “Fund”) as a “permanent endowment”. “So long as the Senior Connections or any successor agency is carrying out its mission of serving persons in Virginia Planning Region 15 age 60 and older, it shall be entitled to request and receive each year, beginning 2002, up to 5% of the value of the Fund as determined on December 31 of the preceding calendar year. This right shall be “non-cumulative.” If the Agency, or any successor agency, should cease operation, then the Community Foundation may distribute up to 5% to organizations serving the needs of persons age 60 and older located in Virginia Planning District 15.” The Community Foundation’s Board of Governors has full authority and discretion as to the investment of the assets, as well as certain variance power as defined in the agreement. The Fund is recognized in the Agency’s financial statements as a beneficial interest in assets held by the Community Foundation.

Interpretation of Relevant Law: The Board of Directors of the Agency has interpreted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the preservation of the fair value of the original gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Agency classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b), the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

As the Agency is permitted to take a distribution of up to 5% per calendar year, non-cumulative, the distributions taken in the current year are shown as releases of net assets with donor restrictions in the accompanying statement of activities. 2019 releases include the distributions for calendar year 2019. There were no distributions during 2020.

Return Objectives and Risk Parameters: The Agency has adopted investment and spending policies for some donor-restricted endowment funds that attempt to provide a predictable stream of funding to the Agency, not to exceed 5% per year. In addition to providing a predictable stream of funding, the adopted investment and spending policies also seek to maintain the purchasing power of the endowment assets. Endowment assets include donor-restricted funds that the Agency must hold in perpetuity.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Notes to Financial Statements, Continued

7. Beneficial Interest in Assets Held by the Community Foundation, Continued:

The following table provides reconciliation between the beginning and ending balances of the beneficial interest in assets held by the Community Foundation:

Balance at October 1, 2018	\$ 713,793
Distributions	(35,600)
Change in value	<u>10,220</u>
Balance at September 30, 2019	688,413
Change in value	<u>(5,848)</u>
Balance at September 30, 2020	<u>\$ 682,565</u>

8. Commitments and Contingencies:

The Agency has several operating leases for office equipment, expiring in 2025. Future minimum payments required under the leases are as follows:

Year	Amount
2021	\$ 15,448
2022	15,448
2023	15,448
2024	15,448
2025	<u>8,763</u>
	<u>\$ 70,555</u>

Total expense under these leases was \$17,151 for 2020 and \$20,928 for 2019.

The Agency is heavily dependent upon government grants and contracts for its operation. If government funds were curtailed it would be necessary to curtail or eliminate several programs. For 2020, 58% of the Agency's revenue was derived from the federal government. For 2019, 59% of the Agency's revenue was derived from the federal government. The expectation is that government entities will continue funding many of the programs. Amounts received or receivable for federal grants are subject to audit and adjustment by the granting federal agency. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. It is management's belief that adjustments, if any, would not materially affect the Agency's financial position.

In March 2020, COVID-19 was declared a worldwide health pandemic and has had a significant impact on the national and global economy. The ultimate impact of COVID-19 on the Agency's financial statements is unknown at this time.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Notes to Financial Statements, Continued

9. Related Party Transactions:

On October 1, 2018, the Agency entered, as landlord, into a three-year office space lease agreement with an association of which the Agency is a member. The tenant paid annual rent and parking of \$29,206 to the Agency for the fiscal year ended September 30, 2020 and \$27,432 to the Agency for the fiscal year ended September 30, 2019. The lease agreement calls for a 3% increase in rental payments at each October 1 through 2020.

10. Guarantees:

The Agency has certain obligations to indemnify its current officers and directors for certain events or occurrences while the office or director is, or was serving, at the Agency's request in such capacities. The maximum liability under these obligations is limited by the Code of Virginia. The Agency's insurance policies serve to further limit its exposure.

11. Liquidity and Availability of Financial Assets:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position at September 30, 2020, comprise of the following:

	2020	2019
Financial assets available within one year:		
Cash and cash equivalents	\$ 1,602,255	\$ 1,117,630
Accounts receivable:		
Commonwealth of Virginia - Department for Aging and Rehabilitative Services	70,978	92,569
Other	75,277	71,166
Total	1,748,510	1,281,365
Less those unavailable for general expenditure within one year:		
Net assets with donor restrictions, less beneficial interest	423,320	164,500
Financial assets available within one year for general expenditure	\$ 1,325,190	\$ 1,116,865

As a part of the Agency's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

SUPPLEMENTAL INFORMATION

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Supplemental Schedule of Status of DARS Funds – Modified Accrual Basis From October 1, 2019 to September 30, 2020

<u>Fund</u>	Unencumbered Funds on Hand September 30, 2019	Total Funds Received During Period	Funds in Transit at September 30, 2020	Total of Funds Available During Period	Accrued Costs to Contract Period	Unencumbered Funds on Hand September 30, 2020
Older Americans Act:						
Title III-B	\$ (25,185)	\$ 882,253	\$ -	\$ 857,068	\$ 832,938	\$ 24,130
Title III-C(1)	(32,835)	447,631	-	414,796	336,619	78,177
Title III-C(2)	(32,997)	396,000	-	363,003	279,127	83,876
Title III-D	-	65,700	-	65,700	61,151	4,549
Title III-E	17,392	262,421	-	279,813	249,269	30,544
Title VII - Elder Abuse	-	10,027	-	10,027	10,027	-
Title VII - Ombudsman	-	41,784	-	41,784	41,784	-
NSIP	-	86,500	-	86,500	86,500	-
Families First COVID Response C(1)	-	201,648	-	201,648	201,648	-
Families First COVID Response C(2)	-	394,000	-	394,000	403,297	(9,297)
CARES Act III-B	-	440,443	-	440,443	440,443	-
CARES Act III-C2	-	220,000	-	220,000	256,994	(36,994)
CARES Act III-E	-	202,000	-	202,000	202,000	-
CARES Act VII-Ombudsman	-	20,000	-	20,000	20,000	-
Other federal:						
Title V (PY 06/30/19 Award)	(900)	367,118	-	366,218	366,218	-
Title V (PY 06/30/20 Award)	-	87,000	-	87,000	86,082	918
VICAP-(PY 03/31/19 Award)	(1,352)	50,015	-	48,663	48,663	-
VICAP-(PY 03/31/20 Award)	-	-	-	-	8,481	(8,481)
DMAS Ombudsman FY 20	-	18,281	-	18,281	18,281	-
MIPPA - Priority 2 - AAA	-	72,322	-	72,322	72,322	-
SNAP	-	6,283	-	6,283	6,283	-
CDSME Grant	57,257	-	-	57,257	-	57,257
Falls Prevention	12,633	4,433	-	17,066	144	16,922
NWD Grant	(3,500)	25,000	-	21,500	25,000	(3,500)

See report of independent accountants.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Supplemental Schedule of Status of DARS Funds – Modified Accrual Basis, Continued
From October 1, 2019 to September 30, 2020

<u>Fund</u>	Unencumbered Funds on Hand September 30, 2019	Total Funds Received During Period	Funds in Transit at September 30, 2020	Total of Funds Available During Period	Accrued Costs to Contract Period	Unencumbered Funds on Hand September 30, 2020
General funds:						
Title III Match (PY 06/30/20)	\$ -	\$ 312,435	\$ -	\$ 312,435	\$ 312,435	\$ -
Title III Match (PY 06/30/21)	-	105,498	-	105,498	105,498	-
Community Based (PY 06/30/20)	-	183,125	-	183,125	183,125	-
Community Based (PY 06/30/21)	-	61,071	-	61,071	61,071	-
Transportation (PY 06/30/20)	-	295,840	-	295,840	295,840	-
Transportation (PY 06/30/21)	-	98,614	-	98,614	98,614	-
Home Delivered Meals (PY 06/30/20)	-	245,395	-	245,395	245,395	-
Home Delivered Meals (PY 06/30/21)	-	81,798	-	81,798	81,798	-
Supplemental Nutrition (PY 06/30/20)	-	101,074	-	101,074	101,074	-
Supplemental Nutrition (PY 06/30/21)	-	33,691	-	33,691	33,691	-
Ombudsman (PY 06/30/20)	-	29,649	-	29,649	29,649	-
Ombudsman (PY 06/30/21)	-	9,883	-	9,883	9,883	-
Care Coordination (PY 06/30/20)	-	43,367	-	43,367	43,367	-
Care Coordination (PY 06/30/21)	-	14,456	-	14,456	14,456	-
Respite Care (PY 06/30/20)	1,271	36,661	-	37,932	37,932	-
Respite Care (PY 06/30/21)	-	731	-	731	3,566	(2,835)
Guardianship VDA (PY 06/30/20)	-	50,000	-	50,000	50,000	-
Guardianship VDA (PY 06/30/21)	-	12,501	-	12,501	12,501	-
Guardianship VDA Mental Health (PY 06/30/20)	(4,395)	57,521	-	53,126	46,705	6,421
Guardianship VDA Mental Health (PY 06/30/21)	-	14,379	-	14,379	27,943	(13,564)
Guardianship DBHDS ID/DDS (PY 06/30/20)	-	50,000	-	50,000	50,000	-
Guardianship DBHDS ID/DDS (PY 06/30/21)	-	12,501	-	12,501	12,501	-
Senior Cool Care	-	6,057	-	6,057	12,900	(6,843)
Totals	<u>\$ (12,611)</u>	<u>\$ 6,157,106</u>	<u>\$ -</u>	<u>\$ 6,144,495</u>	<u>\$ 5,923,215</u>	<u>\$ 221,280</u>

See report of independent accountants.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Supplemental Schedule of Costs by Program Activity – Modified Accrual Basis
From October 1, 2019 to September 30, 2020

Fund	Costs to Federal III B Funds	Costs to Federal III C-1 Funds	Costs to Federal III C-2 Funds	Costs to Federal III D Funds	Costs to Federal III E Funds	Costs to Federal VII Eld. Abuse	Costs to Federal VII OMB Funds	Costs to Federal FFCRA III C-1	Costs to Federal FFCRA III C-2
Title III, (Except Title III-E)									
Older Americans Act Funds									
Adult Day Care	\$ 3,222	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Checking	258	-	-	-	-	-	-	-	-
Chore	2,994	-	-	-	-	-	-	-	-
Homemaker	1,670	-	-	-	-	-	-	-	-
Personal Care	7,123	-	-	-	-	-	-	-	-
Res. Repair and Renovation	24,387	-	-	-	-	-	-	-	-
Care Coordination	33,538	-	-	-	-	-	-	-	-
Care Transitions	100,000	-	-	-	-	-	-	-	-
Comm. Referral Info. & Assist	351,919	-	-	-	-	-	-	-	-
Options Counseling	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Congregate Meals	-	255,172	-	-	-	-	-	201,648	-
Home Delivered Meals	-	-	197,680	-	-	-	-	-	403,297
Nutrition Counseling	-	19,023	19,023	-	-	-	-	-	-
Disease Prevention	-	-	-	61,151	-	-	-	-	-
Emergency Services	31,134	-	-	-	-	-	-	-	-
Employment	13,288	-	-	-	-	-	-	-	-
Money Management	57,575	-	-	-	-	-	-	-	-
Public Information & Education	61,427	-	-	-	-	-	-	-	-
Socialization/Recreation	8,079	-	-	-	-	-	-	-	-
Volunteer Programs	41,291	-	-	-	-	-	-	-	-
Legal Assistance	28,394	-	-	-	-	-	-	-	-
Elder Abuse Prevention	11,632	-	-	-	-	-	-	-	-
LTC Ombudsman Program	29,768	-	-	-	-	10,027	41,784	-	-
Prep. and Admin.	25,239	62,424	62,424	-	-	-	-	-	-
Title III-E Older Americans Act Funds									
Individual counseling	-	-	-	-	13,476	-	-	-	-
Caregiver training	-	-	-	-	3,915	-	-	-	-
Public information & education	-	-	-	-	38,634	-	-	-	-
Adult day care	-	-	-	-	3,088	-	-	-	-
Homemaker services	-	-	-	-	831	-	-	-	-
Personal care services	-	-	-	-	3,734	-	-	-	-
Direct Respite Service Payments	-	-	-	-	1,124	-	-	-	-
Other Supplemental Services	-	-	-	-	-	-	-	-	-
Communication referral & I&A	-	-	-	-	184,002	-	-	-	-
Title III-E Older Americans Act Funds- Grandparents & Older who are Relative Caregivers of Children									
Public information and education	-	-	-	-	465	-	-	-	-
Personal care	-	-	-	-	-	-	-	-	-
Total Title III & Title VII	\$ 832,938	\$ 336,619	\$ 279,127	\$ 61,151	\$ 249,269	\$ 10,027	\$ 41,784	\$ 201,648	\$ 403,297

See report of independent accountants.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Supplemental Schedule of Costs by Program Activity – Modified Accrual Basis, Continued
From October 1, 2019 to September 30, 2020

Fund	Costs to Federal Cares Act III-B	Costs to Federal Cares Act III C-2	Costs to Federal Cares Act III-E	Costs to Federal Cares Act VII	Voluntary Contributions	Costs to Other Non- Fed Funds	Fees	DMAS Ombudsman
Title III, (Except Title III-E)								
Older Americans Act Funds								
Adult Day Care	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,888	\$ -
Checking	15,000	-	-	-	-	-	-	-
Chore	-	-	5,000	-	-	-	-	-
Homemaker	-	-	3,000	-	-	-	481	-
Personal Care	-	-	10,255	-	-	-	387	-
Res. Repair and Renovation	-	-	-	-	-	-	-	-
Care Coordination	20,000	-	-	-	-	-	-	-
Care Transitions	160,000	-	-	-	-	49,431	-	-
Comm. Referral Info. & Assist	235,443	-	125,000	-	-	-	-	-
Options Counseling	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	1,759	11,057	-	-
Congregate Meals	-	225,000	-	-	4,104	-	-	-
Home Delivered Meals	-	15,330	-	-	10	782	-	-
Nutrition Counseling	-	-	-	-	-	-	-	-
Disease Prevention	-	14,664	-	-	-	-	-	-
Emergency Services	10,000	-	-	-	-	28,445	-	-
Employment	-	-	20,745	-	-	-	-	-
Money Management	-	-	-	-	-	25	-	-
Public Information & Education	-	-	-	-	-	-	-	-
Socialization/Recreation	-	2,000	-	-	-	-	-	-
Volunteer Programs	-	-	23,500	-	-	-	-	-
Legal Assistance	-	-	-	-	-	-	-	-
Elder Abuse Prevention	-	-	-	-	-	-	-	-
LTC Ombudsman Program	-	-	-	20,000	-	-	-	18,281
Prep. and Admin.	-	-	-	-	-	49,000	-	-
Title III-E Older Americans Act Funds								
Individual counseling	-	-	11,000	-	-	900	-	-
Caregiver training	-	-	-	-	-	150	-	-
Public information & education	-	-	-	-	-	-	-	-
Adult day care	-	-	-	-	-	-	19,274	-
Homemaker services	-	-	-	-	-	-	-	-
Personal care services	-	-	-	-	-	-	-	-
Direct Respite Service Payments	-	-	-	-	-	-	-	-
Other Supplemental Services	-	-	3,500	-	-	-	-	-
Communication referral & I&A	-	-	-	-	-	-	-	-
Title III-E Older Americans Act Funds- Grandparents & Older who are Relative Caregivers of Children								
Public information and education	-	-	-	-	-	-	-	-
Personal care	-	-	-	-	-	245	-	-
Total Title III & Title VII	\$ 440,443	\$ 256,994	\$ 202,000	\$ 20,000	\$ 5,873	\$ 140,035	\$ 26,030	\$ 18,281

See report of independent accountants.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Supplemental Schedule of Costs by Program Activity – Modified Accrual Basis, Continued
From October 1, 2019 to September 30, 2020

Fund	Costs to Other Local Fed Funds	Costs to NSIP Funds	Costs to G.F. OAA General Funds	Costs to G.F. Comm. Based Funds	Costs to G.F. Transport Funds	Costs to G.F. HD Meals Funds	Costs to G.F. Supp. Nutr. Funds	Costs to G.F. CCEVP Funds
Title III, (Except Title III-E)								
Older Americans Act Funds								
Adult Day Care	\$ -	\$ -	\$ -	\$ 30,428	\$ -	\$ -	\$ -	\$ -
Checking	-	-	-	2,266	-	-	-	-
Chore	-	-	-	-	-	-	-	-
Homemaker	-	-	-	9,440	-	-	-	-
Personal Care	-	-	-	25,356	-	-	-	-
Res. Repair and Renovation	-	-	-	-	-	-	-	-
Care Coordination	-	-	-	-	-	-	-	-
Care Transitions	-	-	-	-	-	-	-	44,456
Comm. Referral Info. & Assist	-	-	120,000	-	-	-	-	-
Options Counseling	-	-	-	-	-	-	-	13,367
Transportation	15,795	-	37,532	-	394,454	-	-	-
Congregate Meals	-	67,445	-	-	-	-	108,028	-
Home Delivered Meals	-	19,055	-	-	-	327,193	26,737	-
Nutrition Counseling	-	-	-	-	-	-	-	-
Disease Prevention	-	-	-	-	-	-	-	-
Emergency Services	-	-	6,000	-	-	-	-	-
Employment	-	-	48,921	-	-	-	-	-
Money Management	-	-	-	70,211	-	-	-	-
Public Information & Education	-	-	59,306	-	-	-	-	-
Socialization/Recreation	-	-	-	-	-	-	-	-
Volunteer Programs	-	-	54,976	-	-	-	-	-
Legal Assistance	-	-	-	-	-	-	-	-
Elder Abuse Prevention	-	-	10,001	-	-	-	-	-
LTC Ombudsman Program	-	-	33,697	-	-	-	-	-
Prep. and Admin.	-	-	14,000	-	-	-	-	-
Title III-E Older Americans Act Funds								
Individual counseling	-	-	2,000	-	-	-	-	-
Caregiver training	-	-	1,000	-	-	-	-	-
Public information & education	-	-	2,000	-	-	-	-	-
Adult day care	-	-	-	60,003	-	-	-	-
Homemaker services	-	-	-	8,311	-	-	-	-
Personal care services	-	-	-	38,181	-	-	-	-
Direct Respite Service Payments	-	-	-	-	-	-	-	-
Other Supplemental Services	-	-	-	-	-	-	-	-
Communication referral & I&A	-	-	28,500	-	-	-	-	-
Title III-E Older Americans Act Funds- Grandparents & Older who are Relative Caregivers of Children								
Public information and education	-	-	-	-	-	-	-	-
Personal care	-	-	-	-	-	-	-	-
Total Title III & Title VII	\$ 15,795	\$ 86,500	\$ 417,933	\$ 244,196	\$ 394,454	\$ 327,193	\$ 134,765	\$ 57,823

See report of independent accountants.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Supplemental Schedule of Costs by Program Activity – Modified Accrual Basis, Continued From October 1, 2019 to September 30, 2020

Fund	Costs to G.F. Ombudsman Funds	Grand Total
Title III, (Except Title III-E)		
Older Americans Act Funds		
Adult Day Care	\$ -	\$ 39,538
Checking	-	17,524
Chore	-	7,994
Homemaker	-	14,591
Personal Care	-	43,121
Res. Repair and Renovation	-	24,387
Care Coordination	-	53,538
Care Transitions	-	353,887
Comm. Referral Info. & Assist	-	832,362
Options Counseling	-	13,367
Transportation	-	460,597
Congregate Meals	-	861,397
Home Delivered Meals	-	990,084
Nutrition Counseling	-	38,046
Disease Prevention	-	75,815
Emergency Services	-	75,579
Employment	-	82,954
Money Management	-	127,811
Public Information & Education	-	120,733
Socialization/Recreation	-	10,079
Volunteer Programs	-	119,767
Legal Assistance	-	28,394
Elder Abuse Prevention	-	21,633
LTC Ombudsman Program	39,532	193,089
Prep. and Admin.	-	213,087
Title III-E Older Americans Act Funds		
Individual counseling	-	27,376
Caregiver training	-	5,065
Public information & education	-	40,634
Adult day care	-	82,365
Homemaker services	-	9,142
Personal care services	-	41,915
Direct Respite Service Payments	-	1,124
Other Supplemental Services	-	3,500
Communication referral & I&A	-	212,502
Title III-E Older Americans Act Funds- Grandparents & Older who are Relative Caregivers of Children		
Public information and education	-	465
Personal care	-	245
Total Title III & Title VII	\$ 39,532	\$ 5,243,707

See report of independent accountants.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Status of Inventories
From October 1, 2019 to September 30, 2020

<u>Fund Source</u>	<u>Value on Hand October 1, 2019</u>	<u>Increase (Decrease) During Period</u>	(1) <u>Value on hand September 30, 2020</u>
Title III-B, Older Americans Act	\$ -	\$ -	\$ -
Title III-C(1), Older Americans Act	-	-	-
Title III-C(2), Older Americans Act	-	-	-
Title III-D, Older Americans Act	-	-	-
Title III-E, Older Americans Act	-	-	-
Title VII, Ombudsman	-	-	-
Title VII, Elder Abuse	-	-	-
Title III-C(1) - Stimulus	-	-	-
Title III-C(2) - Stimulus	-	-	-
CDSMP - Stimulus	-	-	-
Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Assets acquired with DARS funds with a net book value of \$5,000 or more as of 9/30/20.

See report of independent accountants.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Schedule of Expenditures of Federal Awards Year Ended September 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Department of Health and Human Services:				
Passed through Virginia Department for Aging and Rehabilitative Services:				
Aging Cluster:				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	42017/42018 42217/42218	\$ -	\$ 832,938
COVID-19 - Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	42017/42018 42217/42218	-	440,443
Total Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	42017/42018 42217/42218	-	1,273,381
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	42317/42318	613,863	615,745
COVID-19 - Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	42317/42318	-	861,939
Total Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	42317/42318	613,863	1,477,684
Nutrition Services Incentive Program	93.053	42717/42718	-	86,500
			<u>613,863</u>	<u>2,837,565</u>
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	42417/42418	-	61,151
National Family Caregiver Support, Title III, Part E	93.052	42517/42518	-	249,269
COVID-19 - National Family Caregiver Support, Title III, Part E	93.052	42517/42518	-	202,000
Total National Family Caregiver Support, Title III, Part E	93.052	42517/42518	-	451,269
Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	43717/43718	-	10,027
Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	43617/43618	-	41,784
COVID-19 - Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	43617/43618	-	20,000
Total Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	43617/43618	-	61,784
State Health Insurance Assistance Program	93.324	44118	-	45,644
Medical Assistance Program	93.778	46200	-	18,281
Empowering Older Adults and Adults with Disabilities through Chronic Disease Self-Management Education Programs - Financed by Prevention and Public Health Funds	93.734	45818	-	3,803
State Administration Matching Grants for the Supplemental Nutrition Assistance Program	10.561	46318	-	6,283
Medical Enrollment Assistance Program	93.071	44978	-	158,929
Evidence-Based Falls Prevention Program	93.761	45620	-	144
Passed through Virginia Association of Area Agencies on Aging:				
Special Programs for the Aging - Title IV and Title II - Discretionary Projects	93.048	GY18	-	1,721
			<u>613,863</u>	<u>3,656,601</u>
Department of Labor:				
Passed through Virginia Department for Aging and Rehabilitative Services:				
Senior Community Service Employment Program	17.235	43518/43519	-	359,299
Corporation for National and Community Services:				
Foster Grandparent Program	94.011	N/A	-	256,486
Retired and Senior Volunteer Program	94.002	N/A	-	61,846
			-	318,332
Department of Transportation:				
Passed through Greater Richmond Transit Authority:				
Transit Services Program Cluster:				
Enhanced Mobility of Senior and Individuals with Disabilities	20.513	N/A	-	147,602
Total			<u>\$ 613,863</u>	<u>\$ 4,481,834</u>

See report of independent accountants.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2020

1. **Basis of Presentation:**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Senior Connections, The Capital Area Agency on Aging (the "Agency") under programs of the federal government for the year ended September 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFS) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, results of operations, or cash flows of the Agency.

2. **Summary of Significant Accounting Policies:**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. **Indirect Cost Rate:**

The Agency has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

See report of independent accountants.

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Senior Connections, The Capital Area Agency on Aging
Richmond, Virginia:

We have audited, in accordance with the auditing standards generally accepted in the United States 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 Connections, The Capital Area Agency on Aging, (the “Agency”) which comprise the statement of financial position as of September 30, 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 December 22, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency’s internal control over financial reporting (“internal control”) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency’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 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 Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Keita", with a stylized flourish at the end.

December 22, 2020
Glen Allen, Virginia

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Senior Connections, The Capital Area Agency on Aging
Richmond, Virginia:

Report on Compliance for Each Major Federal Program

We have audited Senior Connections', The Capital Area Agency on Aging (the "Agency"), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended September 30, 2020. The Agency's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Agency's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency'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 major federal program. However, our audit does not provide a legal determination on the Agency's compliance.

Opinion of Each Major Federal Program

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purposes.



December 22, 2020
Glen Allen, Virginia

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Schedule of Findings and Questioned Costs
Year Ended September 30, 2020

A. SUMMARY OF AUDIT RESULTS:

- (1) Unmodified opinion on the basic financial statements.
- (2) No material weaknesses or significant deficiencies in internal control were disclosed during the audit.
- (3) No noncompliance which is material to the financial statements was disclosed by the audit.
- (4) No material weaknesses or significant deficiencies relating to the audit of the major federal award programs were disclosed by the audit.
- (5) Unmodified opinion on compliance for major programs.
- (6) No audit findings were disclosed by the audit.
- (7) Major Programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA #</u>
Aging Cluster	93.044/93.045/93.053

- (8) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (9) The auditee did qualify as a low risk auditee.

B. FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS:

None

C. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

None

D. PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

None

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Corrective Action Plan
Year Ended September 30, 2020

Not Applicable