

Senior Connections, The Capital Area Agency on Aging

Financial Statements

September 30, 2022 and 2021



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SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Statements of Financial Position	4
Statements of Activities	6
Statements of Functional Expenses	8
Statements of Cash Flows	9
Notes to Financial Statements	10
Supplemental Information:	
Schedule of Status of DARS Funds – Modified Accrual Basis	24
Schedule of Costs by Program Activity – Modified Accrual Basis	26
Status of Inventories	29
Schedule of Expenditures of Federal Awards	30
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 <i>Governmental Auditing Standards</i>	32
Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	34
Schedule of Findings and Questioned Costs	37
Corrective Action Plan	38

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit and the Financial Statements

Opinion

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, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States, and for 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

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 24 through 29 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 21, 2022, 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 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 Agency'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 Agency's internal control over financial reporting and compliance.

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

December 21, 2022
Glen Allen, Virginia

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Statements of Financial Position September 30, 2022 and 2021

<u>Assets</u>	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents	\$ 1,986,986	\$ 1,532,208
Accounts receivable:		
Commonwealth of Virginia - Department for Aging and Rehabilitative Services	37,930	26,071
Other	114,582	192,836
Prepaid expenses	<u>47,922</u>	<u>120,986</u>
Total current assets	<u>2,187,420</u>	<u>1,872,101</u>
Property and equipment:		
Land	400,188	400,188
Building	573,413	573,413
Building improvements	<u>338,203</u>	<u>307,013</u>
	1,311,804	1,280,614
Less - accumulated depreciation	<u>(529,699)</u>	<u>(536,311)</u>
Property and equipment, net	<u>782,105</u>	<u>744,303</u>
Beneficial interest in assets held by the Community Foundation	<u>921,167</u>	<u>960,139</u>
Total assets	<u>\$ 3,890,692</u>	<u>\$ 3,576,543</u>

See accompanying notes to financial statements.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Statements of Financial Position, Continued
September 30, 2022 and 2021

<u>Liabilities and Net Assets</u>	<u>2022</u>	<u>2021</u>
Current liabilities:		
Accounts payable	\$ 200,482	\$ 185,041
Accrued wages and payroll liabilities	375,257	336,377
Unearned grant revenue	<u>152,057</u>	<u>221,248</u>
 Total liabilities	 <u>727,796</u>	 <u>742,666</u>
Net assets:		
Without donor restrictions	1,764,933	1,472,617
With donor restrictions	<u>1,397,963</u>	<u>1,361,260</u>
 Total net assets	 <u>3,162,896</u>	 <u>2,833,877</u>
 Total liabilities and net assets	 <u>\$ 3,890,692</u>	 <u>\$ 3,576,543</u>

See accompanying notes to financial statements.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Statement of Activities Year Ended September 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Virginia Department for Aging and Rehabilitative Services programs:			
Federal funds	\$ 4,977,072	\$ -	\$ 4,977,072
State funds	1,906,989	-	1,906,989
Other grant funds	14,805	-	14,805
Donations and fundraising	27,749	128,178	155,927
In-kind contributions	36,093	-	36,093
Local funds	190,500	-	190,500
Cash program income	-	3,762	3,762
	<u>7,153,208</u>	<u>131,940</u>	<u>7,285,148</u>
Corporation for National and Community Services:			
Federal funds	258,300	-	258,300
Donations and fundraising	20,000	-	20,000
In-kind contributions	4,679	-	4,679
	<u>282,979</u>	<u>-</u>	<u>282,979</u>
Other support and revenue:			
Federal funds	299,660	-	299,660
Other grant funds	182,021	390,244	572,265
Rent	23,854	-	23,854
Corporate services	118,551	265,572	384,123
Interest income	2,165	-	2,165
	<u>626,251</u>	<u>655,816</u>	<u>1,282,067</u>
Total support and revenue	<u>8,062,438</u>	<u>787,756</u>	<u>8,850,194</u>
Net assets released from restriction	<u>712,081</u>	<u>(712,081)</u>	<u>-</u>
Expenses and losses:			
Program services	8,237,020	-	8,237,020
Management and general	212,858	-	212,858
Fundraising	13,251	-	13,251
Total expenses	<u>8,463,129</u>	<u>-</u>	<u>8,463,129</u>
Loss on disposal of property and equipment	19,074	-	19,074
Change in beneficial interest - Community Foundation	<u>-</u>	<u>38,972</u>	<u>38,972</u>
Total expenses and losses	<u>8,482,203</u>	<u>38,972</u>	<u>8,521,175</u>
Change in net assets	292,316	36,703	329,019
Net assets, beginning of year	<u>1,472,617</u>	<u>1,361,260</u>	<u>2,833,877</u>
Net assets, end of year	<u>\$ 1,764,933</u>	<u>\$ 1,397,963</u>	<u>\$ 3,162,896</u>

See accompanying notes to financial statements.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Statement of Activities Year Ended September 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Virginia Department for Aging and Rehabilitative Services programs:			
Federal funds	\$ 4,101,170	\$ -	\$ 4,101,170
State funds	1,927,438	-	1,927,438
Other grant funds	25,775	78,201	103,976
Donations and fundraising	135,735	57,861	193,596
In-kind contributions	15,641	-	15,641
Local funds	115,000	-	115,000
Cash program income	9,896	-	9,896
	<u>6,330,655</u>	<u>136,062</u>	<u>6,466,717</u>
Corporation for National and Community Services:			
Federal funds	332,074	-	332,074
Donations and fundraising	6,000	-	6,000
In-kind contributions	1,412	-	1,412
	<u>339,486</u>	<u>-</u>	<u>339,486</u>
Other support and revenue:			
Federal funds	160,303	-	160,303
Other grant funds	79,208	350,127	429,335
Rent	29,693	-	29,693
Corporate services	67,237	116,585	183,822
Interest Income	74	-	74
Change in beneficial interest - Community Foundation	-	277,574	277,574
	<u>336,515</u>	<u>744,286</u>	<u>1,080,801</u>
Total support and revenue	<u>7,006,656</u>	<u>880,348</u>	<u>7,887,004</u>
Net assets released from restriction	<u>624,973</u>	<u>(624,973)</u>	<u>-</u>
Expenses:			
Program services	7,293,914	-	7,293,914
Management and general	207,078	-	207,078
Fundraising	6,970	-	6,970
Total expenses	<u>7,507,962</u>	<u>-</u>	<u>7,507,962</u>
Change in net assets	123,667	255,375	379,042
Net assets, beginning of year	<u>1,348,950</u>	<u>1,105,885</u>	<u>2,454,835</u>
Net assets, end of year	<u>\$ 1,472,617</u>	<u>\$ 1,361,260</u>	<u>\$ 2,833,877</u>

See accompanying notes to financial statements.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Statements of Functional Expenses Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Program services:		
Salaries and fringe benefits	\$ 4,372,975	\$ 3,883,462
Meals and delivery	1,143,097	1,196,380
Professional fees	457,903	452,518
Transportation	344,288	125,976
Emergency services	309,023	306,911
Enrollee wages - senior employment program	286,178	243,494
Building, maintenance and space costs	203,630	212,941
Office	181,700	79,101
Short-term personal care services	166,195	126,491
Adult day care services	136,159	112,029
Stipends - foster grandparents program	83,750	139,340
Equipment	83,024	58,808
Other Program services	76,256	47,390
Employment and job training services	72,751	10,028
Insurance	70,796	75,495
Travel	64,495	28,081
Homemaker companion	50,381	40,615
Legal aid services	48,000	42,250
Printing and publications	40,776	32,794
Depreciation	33,656	33,939
Training	7,474	24,334
Volunteer recognition	4,513	16,537
Contributions	-	5,000
Total program services	<u>8,237,020</u>	<u>7,293,914</u>
Management and general:		
Salaries and fringe benefits	186,208	182,122
Office	16,198	10,889
Building, maintenance and space costs	10,452	14,067
Total management and general	<u>212,858</u>	<u>207,078</u>
Fundraising:		
Event costs	3,829	4,495
Salaries and fringe benefits	9,422	2,475
Total fundraising	<u>13,251</u>	<u>6,970</u>
Total expenses	<u>\$ 8,463,129</u>	<u>\$ 7,507,962</u>

See accompanying notes to financial statements.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Statements of Cash Flows Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ 329,019	\$ 379,042
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	33,656	33,939
Loss (gain) on beneficial interest in assets held by the Community Foundation	38,972	(277,574)
Loss on disposal of property and equipment	19,074	-
Change in operating assets and liabilities:		
Accounts receivable	66,395	(72,652)
Prepaid expenses	73,064	(27,575)
Accounts payable	15,441	44,925
Accrued wages and payroll liabilities	38,880	6,355
Unearned grant revenue	<u>(69,191)</u>	<u>(136,298)</u>
Net cash provided by (used in) operating activities	<u>545,310</u>	<u>(49,838)</u>
Cash flows used in investing activities:		
Purchases of property and equipment	<u>(90,532)</u>	<u>(20,209)</u>
Net change in cash and cash equivalents	454,778	(70,047)
Cash and cash equivalents, beginning of year	<u>1,532,208</u>	<u>1,602,255</u>
Cash and cash equivalents, end of year	<u>\$ 1,986,986</u>	<u>\$ 1,532,208</u>

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 with maturities of three months or less.

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, 2022 and 2021, 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 2022 and 2021, 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. 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, 2022 or 2021. 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:

Contributions of Nonfinancial Assets: In September 2020, the FASB issued Accounting Standards Update ("ASU") 2020-07: Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, which aims to increase transparency through enhancements to presentation and disclosures. With the new ASU, organizations receiving contributions of nonfinancial assets are now required to present such contributions as a separate line item on the statement of activities. Previously these were allowed to be included in the contributions line item. This ASU also adds additional disclosure requirements for these gifts. The previous disclosure requirements were less detailed and primarily related only to contributed services. The new, more detailed requirements are for contributions of all nonfinancial assets, including both goods and services. These requirements include a disaggregation of the total amount of contributed nonfinancial assets recognized within the statement of activities by category and, for each category, information regarding the valuation methodology and whether the contributed nonfinancial assets were either monetized or used during the reporting period. The Agency has adopted ASU using the retrospective approach as of October 1, 2020. In-kind contributions are separately stated on the statements of activities for the years ended September 30, 2022 and 2021.

The value of contributed services and materials that either (a) created or enhanced a nonfinancial asset or (b) required specialized skills, was provided by individuals possessing those skills, and are of the type that would have been purchased if not contributed, amounted to \$40,772 for 2022 and \$17,053 for 2021 and have been recognized at their fair value as determined by the donor (see Note 12).

Reclassifications: Certain prior year balances have been reclassified to conform with the current year presentation.

Subsequent Events: Management has evaluated subsequent events through December 31, 2022, the date the financial statements were available for issuance, and has determined that, other than the lease entered into subsequent to year-end (see Note 8), there are no subsequent events to be reported in the accompanying financial statements.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Notes to Financial Statements, Continued

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.

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.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Notes to Financial Statements, Continued

3. Fair Value Measurements, Continued:

Assets and liabilities measured at fair value on a recurring basis at September 30, 2022, include the following:

	Fair Value Using			Assets at Fair Value
	Level 1	Level 2	Level 3	
Assets:				
Beneficial interest in assets held by the Community Foundation	\$ -	\$ -	\$ 921,167	\$ 921,167

Assets and liabilities measured at fair value on a recurring basis at September 30, 2021, include the following:

	Fair Value Using			Assets at Fair Value
	Level 1	Level 2	Level 3	
Assets:				
Beneficial interest in assets held by The Community Foundation	\$ -	\$ -	\$ 960,139	\$ 960,139

There were no contributions to or distributions from the Fund during the years ended September 30, 2022 and 2021.

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:

	2022	2021
Guardianship	\$ 180,574	\$ 78,228
Age Wave	140,008	115,942
Care Transitions	85,344	80,139
Respite	15,000	-
Individual Counseling	14,701	-
Richmond Banner Project	12,080	-
Adopt a Café	11,710	18,110
Housing Stability	9,520	15,000
No Wrong Door	7,859	2,550
Capital Campaign	-	69,639
Rosie's Give Back	-	21,513
Total subject to expenditure for a specified purpose	476,796	401,121
Beneficial interest in assets held by the Community Foundation		
	921,167	960,139
	<u>\$ 1,397,963</u>	<u>\$ 1,361,260</u>

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:

	2022	2021
Care Transitions	\$ 197,550	\$ 255,813
Age Wave	104,906	87,505
IIB I&A	100,572	36,123
Capital Campaign	69,639	30,361
Guardianship	67,366	74,845
Richmond Banner Project	42,920	-
Housing Stability	32,980	24,834
Ride Connection	26,073	32,679
Rosie's Give Back	23,072	78,487
Individual Counseling	15,299	-
Respite	15,000	-
Adopt a Café	10,742	360
Other Program Services	3,762	28
No Wrong Door	2,200	2,671
COVID-19: RMHF	-	1,267
	<u>\$ 712,081</u>	<u>\$ 624,973</u>

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 \$205,584 for 2022 and \$220,415 for 2021.

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.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Notes to Financial Statements, Continued

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

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").

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. There were no distributions during 2022 or 2021.

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, 2020	\$ 682,565
Change in value	<u>277,574</u>
Balance at September 30, 2021	960,139
Change in value	<u>(38,972)</u>
Balance at September 30, 2022	<u>\$ 921,167</u>

8. Commitments and Contingencies:

The Agency has several operating leases for office equipment, expiring in 2025. Subsequent to year-end, the Agency also entered into a lease for office space while making it's Agency-owned office available for sale. The lease term for the new office is to begin in 2023 and expire in 2030. Future minimum payments required under all leases, including the office lease signed after year-end are as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 261,079
2024	395,047
2025	398,768
2026	402,702
2027	414,850
Thereafter	<u>1,018,172</u>
	<u>\$ 2,890,618</u>

Total lease expense was \$17,014 for 2022 and \$15,448 for 2021.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Notes to Financial Statements, Continued

8. Commitments and Contingencies, Continued:

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 2022, 64% of the Agency's revenue was derived from the federal government. For 2021, 60% 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.

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 lease agreement called for a 3% increase in rental payments at each October 1 through 2021. The lease agreement was renewed on October 1, 2021 through September 30, 2024. During 2022, the agreement was amended based on the needs of the association to reduce rent to \$700 per month. The tenant paid annual rent and parking of \$23,854 to the Agency for the fiscal year ended September 30, 2022 and \$29,693 to the Agency for the fiscal year ended September 30, 2021.

10. Guarantees:

The Agency has certain obligations to indemnify its current officers and directors for certain events or occurrences while the officer 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.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Notes to Financial Statements, Continued

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 statements of financial position at September 30 comprise of the following:

	<u>2022</u>	<u>2021</u>
Financial assets available within one year:		
Cash and cash equivalents	\$ 1,986,986	\$ 1,532,208
Accounts receivable:		
Commonwealth of Virginia - Department for		
Aging and Rehabilitative Services	37,930	26,071
Other	<u>114,582</u>	<u>192,836</u>
Total	2,139,498	1,751,115
Less those unavailable for general expenditure		
within one year:		
Net assets with donor restrictions, less beneficial		
interest	<u>476,796</u>	<u>401,121</u>
Financial assets available within one year		
for general expenditure	<u>\$ 1,662,702</u>	<u>\$ 1,349,994</u>

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.

12. Donated Services and Materials:

The Agency receives significant in-kind contributions of time and pro bono services from members of the community and volunteers related to program operations. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Agency. The Agency recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the fair value at the time of the donation.

During fiscal years 2022 and 2021, the Agency received donated services from site supervisors for the Senior Employment Program ("SEP"). The Agency also received contributions of training sessions and meals for volunteers.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Notes to Financial Statements, Continued

12. Donated Services and Materials, Continued:

The Agency received the following in-kind contributions for the years ended September 30:

	2022	2021
SEP employment match	\$ 36,093	\$ 15,641
Volunteer meals	4,329	1,412
Training	350	-
	<u>\$ 40,772</u>	<u>\$ 17,053</u>

All donated services and materials were utilized by the Agency's programs. There were no donor-imposed restrictions associated with the donated services and assets.

Donated services and materials are valued at the standard market rates charged for those services to cash-paying customers.

13. New Accounting Guidance:

Leases: In February 2016, the FASB issued a new accounting standard for leases that will impact both lessees and lessors. The new lease standard will require leases with terms more than 12 months to be recognized on the statement of financial position of lessees by recording a right of use asset with a corresponding obligation to pay rent liability which will be calculated based on the net present value of rental payments. This change is expected to be effective starting with years beginning after December 15, 2021. The Agency is calculating the impact that this pronouncement will have on its financial statements and determining the best way to account for the new standard.

Credit Losses: In June 2016, the FASB issued ASU No. 2016-13 ("ASU 2016-13"), *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The ASU replaces the current incurred loss model used to measure impairment losses with an expected loss model for trade and other receivables. The standard is effective for non-public entities for annual reporting periods beginning after December 15, 2022, with early adoption permitted and will be applied using a modified-retrospective approach through a cumulative-effect adjustment to net assets as of the beginning of the first reporting period in which the guidance is effective. The Agency is currently evaluating the reporting and economic implications of the new standard.

SUPPLEMENTAL INFORMATION

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Supplemental Schedule of Status of DARS Funds – Modified Accrual Basis From October 1, 2021 to September 30, 2022

<u>Fund</u>	Unencumbered Funds on Hand October 1, 2021	Total Funds Received During Period	Funds in Transit at September 30, 2022	Total of Funds Available During Period	Accrued Costs to Contract Period	Unencumbered Funds on Hand September 30, 2022
Older Americans Act:						
Title III-B	\$ 38,503	\$ 1,849,000	\$ -	\$ 1,887,503	\$ 1,863,323	\$ 24,180
Title III-C(1)	33,406	660,000	-	693,406	671,746	21,660
Title III-C(2)	76,373	890,000	-	966,373	940,119	26,254
Title III-D	(2,184)	97,000	-	94,816	106,315	(11,499)
Title III-E	(12,498)	503,000	-	490,502	470,760	19,742
Title VII-Elder Abuse	(4,804)	15,520	-	10,716	10,716	-
Title VII-Ombudsman	7,919	71,358	-	79,277	79,277	-
NSIP	-	101,415	-	101,415	101,415	-
Supplemental Nutrition C2	-	40,000	-	40,000	40,910	(910)
Vaccine Access	(949)	76,949	-	76,000	63,154	12,846
Expanding Public Health Workforce	-	-	-	-	2,100	(2,100)
Other federal:						
Title V-(PY 06/30/22 Award)	4,712	293,978	-	298,690	298,690	-
Title V-(PY 06/30/23 Award)	-	88,000	-	88,000	87,284	716
VICAP-(PY 03/31/22 Award)	1,365	54,389	-	55,754	55,754	-
VICAP-(PY 03/31/23 Award)	-	33,000	-	33,000	48,327	(15,327)
DMAS Ombudsman FY 22	(3,692)	26,448	-	22,756	22,756	-
MIPPA - Priority 2 - AAA	-	88,481	-	88,481	88,481	-
CDSME Grant	52,310	-	-	52,310	-	52,310
Falls Prevention Grant	15,531	2,700	-	18,231	2,700	15,531
NWD Grant	(3,500)	3,500	-	-	-	-
DOL - STCS	-	33,000	-	33,000	18,771	14,229

See independent auditor's report.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Supplemental Schedule of Status of DARS Funds – Modified Accrual Basis, Continued From October 1, 2021 to September 30, 2022

<u>Fund</u>	Unencumbered Funds on Hand October 1, 2021	Total Funds Received During Period	Funds in Transit at September 30, 2022	Total of Funds Available During Period	Accrued Costs to Contract Period	Unencumbered Funds on Hand September 30, 2022
General funds:						
OAA General-(PY 06/30/22)	\$ -	\$ 313,086	\$ -	\$ 313,086	\$ 313,086	\$ -
OAA General-(PY 06/30/23)	-	105,741	-	105,741	105,741	-
Community Based-(PY 06/30/22)	-	223,124	-	223,124	223,124	-
Community Based-(PY 06/30/23)	-	74,375	-	74,375	74,375	-
Transportation-(PY 06/30/22)	-	150,685	-	150,685	150,685	-
Transportation-(PY 06/30/23)	-	37,747	-	37,747	37,747	-
Home Delivered Meals-(PY 06/30/22)	-	399,488	-	399,488	399,488	-
Home Delivered Meals-(PY 06/30/23)	-	133,162	-	133,162	133,162	-
Supplemental Nutrition-(PY 06/30/22)	-	103,049	-	103,049	103,049	-
Supplemental Nutrition-(PY 06/30/23)	-	34,350	-	34,350	34,350	-
Ombudsman-(PY 06/30/22)	-	30,516	-	30,516	30,516	-
Ombudsman-(PY 06/30/23)	-	10,172	-	10,172	10,172	-
Care Coordination CCEVP-(PY 06/30/22)		43,367	-	43,367	43,367	-
Care Coordination CCEVP-(PY 06/30/23)		13,318	-	13,318	14,456	(1,138)
Respite Care Initiative-(PY 06/30/22)	4,720	41,581	-	46,301	46,301	-
Respite Care Initiative-(PY 06/30/23)		12,220	-	12,220	12,220	-
Guardianship VDA-(PY 06/30/22)	-	51,256	-	51,256	38,025	13,231
Guardianship VDA-(PY 06/30/23)	-	12,501	-	12,501	12,501	-
Guardianship VDA Mental Health-(PY 06/30/22)	(7,894)	57,521	-	49,627	54,355	(4,728)
Guardianship VDA Mental Health-(PY 06/30/23)	-	24,999	-	24,999	13,118	11,881
Guardianship DBHDS ID/DDS-(PY 06/30/22)	-	50,000	-	50,000	36,769	13,231
Guardianship DBHDS ID/DDS-(PY 06/30/23)	-	12,501	-	12,501	12,501	-
Senior Cool Care	(280)	8,855	280	8,855	14,000	(5,145)
Totals	\$ 199,038	\$ 6,871,352	\$ 280	\$ 7,070,670	\$ 6,885,706	\$ 184,964

See independent auditor's report.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Supplemental Schedule of Costs by Program Activity – Modified Accrual Basis From October 1, 2021 to September 30, 2022

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 Supp Nutrition C2
Title III, (Except Title III-E)								
Older Americans Act Funds								
Adult Day Care	\$ 38,879	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Checking	2,767	-	-	-	-	-	-	-
Chore	530	-	-	-	-	-	-	-
Homemaker	40,738	-	-	-	-	-	-	-
Personal Care	51,490	-	-	-	-	-	-	-
Care Coordination Level 2	52,315	-	-	-	-	-	-	-
Care Transitions	220,645	-	-	-	-	-	-	-
Comm. Referral Info. & Assist	606,592	-	-	-	-	-	-	-
Options Counseling	-	-	-	-	-	-	-	-
Transportation	102,536	-	-	-	-	-	-	-
Congregate Meals	-	543,846	-	-	-	-	-	40,910
Home Delivered Meals	-	-	826,066	-	-	-	-	-
Nutrition Counseling	-	-	16,550	-	-	-	-	-
Nutrition Education	-	-	33,754	-	-	-	-	-
CDSME	-	-	-	42,169	-	-	-	-
Falls Prevention	-	-	-	64,146	-	-	-	-
Emergency Services	55,000	-	-	-	-	-	-	-
Employment	70,613	-	-	-	-	-	-	-
Money Management	49,687	-	-	-	-	-	-	-
Outreach/Public Information & Education	99,813	-	-	-	-	-	-	-
Residential Repair and Renovation	138,489	64,151	-	-	-	-	-	-
Socialization/Recreation	24,951	-	-	-	-	-	-	-
Volunteer Programs	143,754	-	-	-	-	-	-	-
Legal Assistance	48,119	-	-	-	-	-	-	-
Elder Abuse Prevention	17,490	-	-	-	-	-	-	-
LTC Ombudsman Program	58,521	-	-	-	-	10,716	79,277	-
Incentive Program	-	-	-	-	-	-	-	-
COVID-19 Vaccine Activity Planning	-	-	-	-	-	-	-	-
Prep. and Admin.	40,394	63,749	63,749	-	-	-	-	-
Public Health Workforce	-	-	-	-	-	-	-	-
Title III-E Older Americans Act Funds								
Individual Counseling	-	-	-	-	31,116	-	-	-
Caregiver Training	-	-	-	-	9,362	-	-	-
Comm. Referral Info. & Assist	-	-	-	-	329,794	-	-	-
Outreach/Public Information/Education	-	-	-	-	47,867	-	-	-
Respite Voucher	-	-	-	-	1,608	-	-	-
Adult Day Care (Out of Home)	-	-	-	-	14,109	-	-	-
Homemaker (In-Home)	-	-	-	-	3,208	-	-	-
Personal Care (In-Home)	-	-	-	-	33,696	-	-	-
Total Title III & Title VII	\$ 1,863,323	\$ 671,746	\$ 940,119	\$ 106,315	\$ 470,760	\$ 10,716	\$ 79,277	\$ 40,910

See independent auditor's report.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Supplemental Schedule of Costs by Program Activity – Modified Accrual Basis, Continued From October 1, 2021 to September 30, 2022

Fund	Costs to Federal Vaccine Access	Costs to Federal Exp. Public Health Workforce	Voluntary Contributions	Costs to Other Non- Fed Funds	DMAS Ombudsman	Costs to NSIP Funds	Costs to G.F. OAA General Funds	Costs to G.F. Comm. Based Funds
Title III, (Except Title III-E)								
Older Americans Act Funds								
Adult Day Care	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,000
Checking	-	-	-	-	-	-	-	3,000
Chore	-	-	-	-	-	-	-	-
Homemaker	-	-	-	108	-	-	-	7,500
Personal Care	-	-	-	-	-	-	-	40,000
Care Coordination Level 2	-	-	-	-	-	-	-	-
Care Transitions	-	-	-	96,837	-	-	-	-
Comm. Referral Info. & Assist	4,009	-	-	100,572	-	-	230,000	-
Options Counseling	-	-	-	-	-	-	-	-
Transportation	-	-	873	-	-	-	-	-
Congregate Meals	-	-	2,774	-	-	101,415	-	-
Home Delivered Meals	-	-	248	-	-	-	-	-
Nutrition Counseling	-	-	-	-	-	-	-	-
Nutrition Education	-	-	-	-	-	-	-	-
CDSME	-	-	-	-	-	-	-	-
Falls Prevention	-	-	-	-	-	-	-	-
Emergency Services	-	-	-	6,657	-	-	-	-
Employment	-	-	-	-	-	-	19,000	-
Money Management	-	-	115	15	-	-	-	77,000
Outreach/Public Information & Education	17,389	-	-	1,844	-	-	22,500	-
Residential Repair and Renovation	-	-	10,000	-	-	-	-	-
Socialization/Recreation	-	-	-	-	-	-	-	-
Volunteer Programs	-	-	-	-	-	-	37,327	-
Legal Assistance	-	-	-	-	-	-	-	-
Elder Abuse Prevention	-	-	-	-	-	-	5,000	-
LTC Ombudsman Program	-	-	-	-	22,756	-	11,000	-
Incentive Program	16,515	-	-	-	-	-	-	-
COVID-19 Vaccine Activity Planning	25,241	-	-	-	-	-	-	-
Prep. and Admin.	-	-	-	42,000	-	-	15,000	-
Public Health Workforce	-	2,100	-	-	-	-	-	-
Title III-E Older Americans Act Funds								
Individual Counseling	-	-	-	15,299	-	-	-	-
Caregiver Training	-	-	-	450	-	-	-	-
Comm. Referral Info. & Assist	-	-	-	-	-	-	79,000	-
Outreach/Public Information/Education	-	-	-	-	-	-	-	-
Respite Voucher	-	-	-	-	-	-	-	-
Adult Day Care (Out of Home)	-	-	-	-	-	-	-	67,999
Homemaker (In-Home)	-	-	-	-	-	-	-	10,000
Personal Care (In-Home)	-	-	-	-	-	-	-	44,000
Total Title III & Title VII	\$ 63,154	\$ 2,100	\$ 14,010	\$ 263,782	\$ 22,756	\$ 101,415	\$ 418,827	\$ 297,499

See independent auditor's report.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Supplemental Schedule of Costs by Program Activity – Modified Accrual Basis, Continued From October 1, 2021 to September 30, 2022

Fund	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	In-Kind	Grand Total
Title III, (Except Title III-E)						
Older Americans Act Funds						
Adult Day Care	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,879
Checking	-	-	-	-	-	5,767
Chore	-	-	-	-	-	530
Homemaker	-	-	-	-	-	48,346
Personal Care	-	-	-	-	-	91,490
Care Coordination Level 2	-	-	-	-	-	52,315
Care Transitions	-	-	-	42,798	-	360,280
Comm. Referral Info. & Assist	-	-	-	-	-	941,173
Options Counseling	-	-	-	15,025	-	15,025
Transportation	188,432	-	-	-	-	291,841
Congregate Meals	-	-	137,399	-	-	826,344
Home Delivered Meals	-	532,650	-	-	-	1,358,964
Nutrition Counseling	-	-	-	-	-	16,550
Nutrition Education	-	-	-	-	-	33,754
CDSME	-	-	-	-	-	42,169
Falls Prevention	-	-	-	-	-	64,146
Emergency Services	-	-	-	-	-	61,657
Employment	-	-	-	-	-	89,613
Money Management	-	-	-	-	-	126,817
Outreach/Public Information & Education	-	-	-	-	-	141,546
Residential Repair and Renovation	-	-	-	-	-	212,640
Socialization/Recreation	-	-	-	-	-	24,951
Volunteer Programs	-	-	-	-	-	181,081
Legal Assistance	-	-	-	-	-	48,119
Elder Abuse Prevention	-	-	-	-	-	22,490
LTC Ombudsman Program	-	-	-	-	40,688	222,958
Incentive Program	-	-	-	-	-	16,515
COVID-19 Vaccine Activity Planning	-	-	-	-	-	25,241
Prep. and Admin.	-	-	-	-	-	224,892
Public Health Workforce	-	-	-	-	-	2,100
Title III-E Older Americans Act Funds						
Individual Counseling	-	-	-	-	-	46,415
Caregiver Training	-	-	-	-	-	9,812
Comm. Referral Info. & Assist	-	-	-	-	-	408,794
Outreach/Public Information/Education	-	-	-	-	-	47,867
Respite Voucher	-	-	-	-	-	1,608
Adult Day Care (Out of Home)	-	-	-	-	-	82,108
Homemaker (In-Home)	-	-	-	-	-	13,208
Personal Care (In-Home)	-	-	-	-	-	77,696
Total Title III & Title VII	\$ 188,432	\$ 532,650	\$ 137,399	\$ 57,823	\$ 40,688	\$ 6,323,701

See independent auditor's report.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Status of Inventories
From October 1, 2021 to September 30, 2022

			(1) Value on hand September 30, 2022
<u>Fund Source</u>	<u>Value on Hand October 1, 2021</u>	<u>Increase (Decrease) During Period</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	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
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 9/30/22.

See independent auditor's report.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Schedule of Expenditures of Federal Awards Year Ended September 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing 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	\$ -	\$ 1,926,477
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	42317/42318	893,939	1,611,865
Supplemental Funding - Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	42317/42318	-	40,910
Total Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	42317/42318	893,939	1,652,775
Nutrition Services Incentive Program	93.053	42717/42718	-	101,415
			893,939	3,680,667
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	42417/42418	-	106,315
National Family Caregiver Support, Title III, Part E	93.052	42517/42518	-	470,761
Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	43717/43718	-	10,716
Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	43617/43618	-	79,277
State Health Insurance Assistance Program	93.324	44118	-	104,081
Medical Assistance Program	93.778	46200	-	22,756
Medical Enrollment Assistance Program	93.071	44978	-	154,745
Evidence-Based Falls Prevention Program	93.761	45620	-	2,700
Passed through Virginia Association of Area Agencies on Aging:				
Special Programs for the Aging - Title IV and Title II - Discretionary Projects	93.048	GY18	-	4,473
			893,939	4,636,491
Department of Labor:				
Passed through Virginia Department for Aging and Rehabilitative Services:				
Senior Community Service Employment Program	17.235	43518/43519	-	404,745
Corporation for National and Community Services:				
Foster Grandparent Program	94.011	N/A	-	198,363
Retired and Senior Volunteer Program	94.002	N/A	-	59,937
			-	258,300
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	-	299,660
Total			\$ 893,939	\$ 5,599,196

See independent auditor's report.

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2022

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, 2022. 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 independent auditor's report.

**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 financial statements of Senior Connections, The Capital Area Agency on Aging, (the "Agency") which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 21, 2022.

Report on 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") as a basis for designing 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.

Report on 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, flowing script.

December 21, 2022
Glen Allen, Virginia

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM 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

Opinion on Each Major Federal Program

We have audited Senior Connections, the Capital Area Agency on Aging's (the "Agency") compliance with the types of compliance requirements identified as subject to audit 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, 2022. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2022.

Basis for Opinion on Each Major Federal Program

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 *Government 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Agency's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Agency's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Agency's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 purpose.



December 21, 2022
Glen Allen, Virginia

SENIOR CONNECTIONS, THE CAPITAL AREA AGENCY ON AGING

Schedule of Findings and Questioned Costs Year Ended September 30, 2022

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>Assistance Listing #</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, 2022

Not Applicable