

SENIOR CITIZENS, INC.  
FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020



Holland, Bromley,  
Barnhill & Brett LLP  
Certified Public Accountants and Business Advisors

SENIOR CITIZENS, INC.  
FINANCIAL STATEMENTS  
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## Independent Auditor's Report

To the Board of Directors of  
Senior Citizens, Inc.  
Savannah, Georgia

### Report on the Financial Statements

We have audited the accompanying financial statements of Senior Citizens, Inc. (the "Agency") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, of functional expenses and of cash flows for the year 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 of America; 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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 Citizens, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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## **Report on Summarized Comparative Information**

We have previously audited the Agency's June 30, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 8, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* 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 audit 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 of America. 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 15, 2021, on our consideration of Senior Citizens, Inc.'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.



Holland, Bromley, Barnhill & Brett, LLP  
Savannah, Georgia  
December 15, 2021

SENIOR CITIZENS, INC.

STATEMENTS OF FINANCIAL POSITION

	<u>2021</u>	<u>June 30,</u> <u>2020</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,566,600	\$ 1,614,924
Accounts receivable, net	164,587	305,556
Inventories	54,744	53,539
Prepaid expenses and other assets	29,637	85,981
Investments	279,640	228,578
Beneficial interest in assets held by others	60,706	44,626
Unconditional promises to give, net:		
Restricted for building expansion / renovation	105,302	295,908
Grant revenue receivable	388,586	368,157
Property and equipment, net	<u>5,488,282</u>	<u>5,377,419</u>
Total assets	<u>\$ 8,138,084</u>	<u>\$ 8,374,688</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable	\$ 166,588	\$ 238,713
Accrued expenses:		
Salaries	26,796	15,671
Compensated absences	71,377	66,589
Payroll taxes and benefits	9,067	10,110
Funds held for others	12,170	12,170
Deferred revenue	48,609	11,302
CARES Act PPP funding	-	410,400
Construction line of credit	-	126,196
Construction note payable	<u>1,348,752</u>	<u>1,400,000</u>
Total liabilities	<u>1,683,359</u>	<u>2,291,151</u>
Net assets		
Without donor restrictions	5,484,655	5,036,866
With donor restrictions	<u>970,070</u>	<u>1,046,671</u>
Total net assets	<u>6,454,725</u>	<u>6,083,537</u>
Total liabilities and net assets	<u>\$ 8,138,084</u>	<u>\$ 8,374,688</u>

(The accompanying notes are an integral part of these financial statements.)

SENIOR CITIZENS, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Without</u> <u>Donor Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Revenue and other support			
Federal grants	\$ 1,136,210	\$ -	\$ 1,136,210
State grants	709,963		709,963
Special grants	98,610	177,956	276,566
Program service fees	1,483,980		1,483,980
Capital campaign contributions		35,277	35,277
Other contributions	643,001	255,626	898,627
Special events	215,592		215,592
Rental income	121,880		121,880
Interest income	140		140
Investment return	35,173	14,080	49,253
Released from restrictions	559,540	(559,540)	-
Total revenues and other support	<u>5,004,089</u>	<u>(76,601)</u>	<u>4,927,488</u>
Expenses			
Program services:			
Nutrition	1,489,158		1,489,158
Transportation	312,520		312,520
Adult Day Health	336,739		336,739
Senior Companions	293,267		293,267
Other services	1,074,413		1,074,413
Supporting services:			
Management and general	580,208		580,208
Marketing and development	469,995	-	469,995
Total expenses	<u>4,556,300</u>	<u>-</u>	<u>4,556,300</u>
Change in net assets	447,789	(76,601)	371,188
Net assets - beginning of year	<u>5,036,866</u>	<u>1,046,671</u>	<u>6,083,537</u>
Net assets - end of year	<u>\$ 5,484,655</u>	<u>\$ 970,070</u>	<u>\$ 6,454,725</u>

(The accompanying notes are an integral part of these financial statements.)

SENIOR CITIZENS, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2020

	<u>Without</u> <u>Donor Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Revenue and other support			
Federal grants	\$ 816,238	\$ -	\$ 816,238
State grants	953,568		953,568
Special grants	80,896	229,220	310,116
Program service fees	1,434,970		1,434,970
Capital campaign contributions		258,585	258,585
Other contributions	259,936	418,763	678,699
Special events	144,788		144,788
Rental income	125,732		125,732
Interest income	338	442	780
Investment return	7,673	(814)	6,859
Released from restrictions	1,688,701	(1,688,701)	-
Total revenues and other support	<u>5,512,840</u>	<u>(782,505)</u>	<u>4,730,335</u>
Expenses			
Program services:			
Nutrition	1,284,094		1,284,094
Transportation	300,037		300,037
Adult Day Health	372,645		372,645
Senior Companions	307,655		307,655
Other services	955,696		955,696
Supporting services:			
Management and general	550,416		550,416
Marketing and development	485,097	-	485,097
Total expenses	<u>4,255,640</u>	<u>-</u>	<u>4,255,640</u>
Change in net assets	1,257,200	(782,505)	474,695
Net assets - beginning of year	<u>3,779,666</u>	<u>1,829,176</u>	<u>5,608,842</u>
Net assets - end of year	<u>\$ 5,036,866</u>	<u>\$ 1,046,671</u>	<u>\$ 6,083,537</u>

(The accompanying notes are an integral part of these financial statements.)

SENIOR CITIZENS, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Program Services</u>					<u>Supporting Services</u>		<u>Total</u>
	<u>Nutrition</u>	<u>Transportation</u>	<u>Adult Day Health</u>	<u>Senior Companions</u>	<u>Other Services</u>	<u>Management and General</u>	<u>Marketing and Development</u>	
Salaries	\$ 438,612	\$ 172,313	\$ 248,841	\$ 76,512	\$ 735,222	\$ 342,431	\$ 138,141	\$ 2,152,072
Food & paper products	804,811	-	2,507	-	140	-	-	807,458
Employee benefits	76,897	27,246	37,720	7,714	104,083	51,784	19,884	325,328
Depreciation	6,554	37,516	15,282	-	31,133	5,011	189,043	284,539
Stipends	-	-	-	190,304	6,125	-	-	196,429
Utilities	47,197	-	445	-	75,442	-	-	123,084
Contractual services	3,652	3,600	821	-	36,124	18,793	7,463	70,453
Interest	-	-	-	-	-	69,008	-	69,008
Supplies	30,111	208	12,660	13,676	9,532	3,246	445	69,878
Insurance	2,250	21,174	2,855	680	17,445	22,681	-	67,085
Small equipment & software	16,913	417	154	125	8,177	18,321	5,364	49,471
Special events	-	-	-	-	2,217	-	44,903	47,120
Telephone & communications	8,320	3,199	3,556	1,581	11,373	8,267	3,909	40,205
Advertising	-	-	-	-	-	-	38,025	38,025
Consulting & professional	-	-	-	-	-	22,825	12,000	34,825
Equipment lease	25,815	-	-	-	-	4,967	-	30,782
Repairs & maintenance	7,754	9,744	279	-	10,364	-	-	28,141
Fuel	-	26,480	-	-	-	-	-	26,480
Miscellaneous	3,104	-	2,044	331	8,600	2,447	2,317	18,843
Printing	-	-	-	9	5,032	2,547	6,267	13,855
Bad debt	5,688	-	4,953	-	-	-	1,675	12,316
Background checks & physicals	786	2,005	1,862	185	4,476	571	-	9,885
Rent	7,500	-	-	-	750	-	-	8,250
Travel	1,499	4,573	141	-	1,567	38	12	7,830
Contract labor	-	-	720	-	4,700	-	-	5,420
Taxes & licenses	415	2,370	411	-	779	910	485	5,370
Recognition	-	-	-	-	388	3,281	-	3,669
Uniforms	695	1,675	758	-	280	23	-	3,431
Dues & memberships	-	-	100	150	464	2,409	-	3,123
Meetings	-	-	-	2,000	-	594	62	2,656
Training	585	-	630	-	-	54	-	1,269
<b>Total expenses</b>	<b><u>\$ 1,489,158</u></b>	<b><u>\$ 312,520</u></b>	<b><u>\$ 336,739</u></b>	<b><u>\$ 293,267</u></b>	<b><u>\$ 1,074,413</u></b>	<b><u>\$ 580,208</u></b>	<b><u>\$ 469,995</u></b>	<b><u>\$ 4,556,300</u></b>

(The accompanying notes are an integral part of these financial statements.)

SENIOR CITIZENS, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Program Services</u>					<u>Supporting Services</u>		<u>Total</u>
	<u>Nutrition</u>	<u>Transportation</u>	<u>Adult Day Health</u>	<u>Senior Companions</u>	<u>Other Services</u>	<u>Management and General</u>	<u>Marketing and Development</u>	
Salaries	\$ 400,080	\$ 169,730	\$ 263,218	\$ 62,378	\$ 658,964	\$ 341,291	\$ 168,578	\$ 2,064,239
Food & paper products	677,808	-	6,614	18,681	767	-	-	703,870
Employee benefits	61,282	29,978	40,702	7,229	95,899	49,970	20,913	305,973
Stipends	-	-	-	190,863	-	-	-	190,863
Bad debt	1,175	-	1,633	-	539	-	127,279	130,626
Utilities	55,937	-	19,979	-	51,427	-	-	127,343
Depreciation	3,804	29,323	1,579	-	32,729	3,469	42,685	113,589
Contractual services	5,733	3,200	7,701	-	34,918	32,069	-	83,621
Supplies	40,586	415	16,116	103	6,828	5,625	614	70,287
Insurance	2,250	18,490	2,833	(125)	11,175	19,837	-	54,460
Advertising	-	-	-	-	315	-	50,630	50,945
Special events	-	-	-	-	912	-	38,107	39,019
Telephone & communications	8,100	3,788	3,147	1,449	9,351	8,327	3,596	37,758
Consulting & professional	-	-	-	-	-	22,825	13,790	36,615
Interest	-	-	-	-	-	35,778	-	35,778
Small equipment & software	6,786	1,871	130	250	7,531	12,842	4,634	34,044
Travel	2,449	4,554	364	18,101	4,617	230	307	30,622
Fuel	-	24,194	-	-	-	-	-	24,194
Repairs & maintenance	3,492	11,247	409	-	6,418	-	-	21,566
Miscellaneous	1,870	4	2,592	330	8,064	2,753	3,949	19,562
Printing	-	-	-	225	5,214	2,170	8,820	16,429
Contract labor	-	-	2,390	-	9,694	-	-	12,084
Background checks & physicals	1,562	1,532	1,523	675	4,386	514	273	10,465
Rent	7,500	-	-	500	1,900	-	-	9,900
Equipment lease	2,340	-	-	-	-	5,128	-	7,468
Recognition	-	-	-	1,979	1,953	2,121	-	6,053
Uniforms	675	1,143	673	1,084	483	48	23	4,129
Dues & memberships	225	-	100	-	50	3,266	199	3,840
Taxes & licenses	350	568	712	-	1,364	234	475	3,703
Meetings	-	-	-	1,333	198	1,823	125	3,479
Training	90	-	230	2,600	-	96	100	3,116
Total expenses	<u>\$ 1,284,094</u>	<u>\$ 300,037</u>	<u>\$ 372,645</u>	<u>\$ 307,655</u>	<u>\$ 955,696</u>	<u>\$ 550,416</u>	<u>\$ 485,097</u>	<u>\$ 4,255,640</u>

(The accompanying notes are an integral part of these financial statements.)

SENIOR CITIZENS, INC.  
STATEMENTS OF CASH FLOWS

	For the year ended	
	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 371,188	\$ 474,695
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	284,539	113,589
Bad debt expense	12,316	130,626
Net realized loss (gain) on disposal of asset	12,758	(8,341)
Net unrealized gain on investments	(41,415)	(141)
Change in investments	(6,513)	(8,434)
Change in beneficial interest in assets held by others	(2,616)	2,349
Change in assets and liabilities:		
Accounts receivable	133,429	14,260
Promises to give, grant revenue receivable	(20,429)	35,844
Promises to give, restricted for building expansion / renovation	169,232	359,274
Inventories	(1,205)	(19,756)
Prepaid expenses and other assets	56,344	15,199
Accounts payable	(72,125)	(36,903)
Accrued expenses	14,870	(47,303)
Funds held for others	-	936
CARES Act PPP funding	(410,400)	410,400
Deferred revenue	37,307	(141,241)
Net cash provided by operating activities	<u>537,280</u>	<u>1,295,053</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(408,160)	(2,934,316)
Proceeds from disposal of asset	-	8,341
Reductions to restricted cash	-	93,410
Net cash used for investing activities	<u>(408,160)</u>	<u>(2,832,565)</u>
Cash flows from financing activities:		
(Repayments) borrowings on line of credit	(126,196)	126,196
(Repayments) borrowings on note payable	(51,248)	1,400,000
Net cash (used for) provided by financing activities	<u>(177,444)</u>	<u>1,526,196</u>
Net decrease cash and cash equivalents	(48,324)	(11,316)
Cash and cash equivalents - beginning of year	<u>1,614,924</u>	<u>1,626,240</u>
Cash and cash equivalents - end of year	<u>\$ 1,566,600</u>	<u>\$ 1,614,924</u>
Supplemental disclosure of cash flow information:		
Interest paid	\$ 74,071	\$ 30,715
Income taxes paid	\$ -	\$ -

(The accompanying notes are an integral part of these financial statements.)

SENIOR CITIZENS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 1 - PURPOSE OF ORGANIZATION

The mission of Senior Citizens, Inc. (the Agency) is to help seniors age successfully. The Agency was organized in 1959 for the purpose of providing noonday meals to seniors in the Savannah area who could no longer prepare their own meals. The Agency has expanded its services to include specialized adult day care for seniors with Alzheimer's disease and other forms of dementia, as well as providing services including transportation, care management, education, recreational activities, and in-home support services. The Agency serves a four-county area within the Coastal Empire.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements are prepared in accordance with generally accepted accounting principles in the United States (U.S. GAAP). The Agency is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Cash and cash equivalents

Cash and short-term highly liquid investments are included as cash and cash equivalents in the accompanying financial statements. Cash restricted by donors is not considered cash for purposes of the statement of cash flows.

Restricted cash consists of capital campaign contributions and other contributions restricted for building renovation.

Restricted and unrestricted revenue and support

Contributions received are recorded as “with donor restrictions” or “without donor restrictions”, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. 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 statement of activities as net assets released from restrictions.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### New accounting pronouncements

In May 2014, the FASB issued ASU 2014-09, “Revenue from Contracts with Customers” (Topic 606). This guidance outlines a single, comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most former revenue recognition guidance issued by the FASB. Under the new revenue recognition standard, entities apply a five-step model that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, entities identify the performance obligations within their contracts with customers, allocate the transaction price received from customers to each performance obligation identified within their contracts, and recognize revenue as the performance obligations are satisfied. The new guidance requires enhanced disclosures, including revenue recognition policies to identify performance obligations to customers and significant judgments in measurement and recognition. The Agency implemented this ASU as of and for the year ended June 30, 2020 using the modified retrospective method.

In June 2018, the FASB issued ASU 2018-08 “Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made” (Topic 958). The ASU amends the former reporting model for nonprofit organizations and enhances their required disclosures. The update assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, “Not-for-Profit Entities”, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Agency has implemented this ASU as of and for the year ended June 30, 2020 using the modified prospective method.

The adoption of ASU 2014-09 and ASU 2018-08 did not have a significant impact on the Agency’s financial statements. There were no material changes to the recognition or presentation of revenue as a result the application of ASU 2014-09 and ASU 2018-08. As a result, no cumulative effect adjustment was recorded upon adoption.

### Expense allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Indirect expenses have been allocated based on estimates of management.

### Accounts receivable

Accounts receivable represent primarily contract and grant amounts due from federal, state and local governments. Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the status of individual accounts. At June 30, 2021 and 2020, the accounts receivable balance is reported net of an allowance for uncollectible amounts of approximately \$16,800 and \$16,000, respectively.

### Promises to give

Unconditional promises to give that are expected to be collected within one year are recognized in the period received at net realizable values. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Inventories

Inventories consist primarily of food products used by the Agency in supporting its various programs. The Agency reports inventories at the lower of cost or net realizable value, using the first-in, first-out (FIFO) method.

### Property and equipment

The Agency capitalizes purchases of property and equipment which exceed \$1,000 and are expected to provide benefit for multiple years. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The Agency recognizes depreciation on these assets using the straight-line method over the estimated useful lives, which range from 3 to 30 years.

### Investments

The Agency invests in marketable equity securities, which are classified as available-for-sale. Available-for-sale securities are recorded at the fair value of the investment. Donated investments are reflected as contributions at their fair values as of the date of receipt. Dividend and interest income is recognized when earned. Realized and unrealized gains and losses, net of related investment expenses, are included in the change in net assets in accompanying statements of activities and changes in net assets.

### Advertising costs

The Agency's policy is to expense advertising costs as such costs are incurred. Advertising costs charged to expense for the years ended June 30, 2021 and 2020 were approximately \$38,000 and \$51,000, respectively.

### Income taxes

The Agency is classified as a nonprofit organization and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. Once the threshold is met, the amount recognized in the financial statements is the largest amount of tax benefit likely realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Agency does not expect the total amount of unrecognized tax benefits to significantly change in the next twelve months. The Agency is no longer subject to examination by taxing authorities for years before 2018.

If incurred, the Agency would recognize interest and penalties related to unrecognized tax benefits in interest expense. The Agency has no amounts accrued for interest and penalties as of June 30, 2021 and 2020. Additionally, no interest or penalties were recorded for the years then ended.

### Reclassification

Certain prior year amounts have been reclassified to conform to current year presentation.

### Subsequent events

The Agency has evaluated subsequent events through December 15, 2021, the date the financial statements were available to be issued.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Revenue recognition, contributions, and grants

Revenue from meal preparation and delivery, adult day health, learning center, and other program services is reported in accordance with the consideration the Agency expects to be entitled in exchange for providing these services. Revenue is recognized as performance obligations are satisfied, which is typically at the point in time when these services are provided.

The Agency receives contributions to support operating activities and capital projects. Conditional gifts, with a measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend are substantially met. The Agency also receives grant and contract funding from federal and state governments to provide a variety of program services to the public. These grants and contracts are nonreciprocal transactions and include conditions stipulated by the government agencies. These transactions are accounted for as conditional contributions and revenue is recognized as conditions are satisfied, primarily as expenses are incurred.

## NOTE 3 - CONCENTRATION OF CREDIT RISK

The Agency maintains its cash balances with commercial banks in deposit accounts, which at June 30, 2021 and other times throughout the year, exceeded federally insured limits. The Agency has not experienced any losses of such funds and management believes the Agency is not exposed to any significant risk on cash. The amount of uninsured cash at June 30, 2021 and 2020 is approximately \$1,099,700 and \$1,146,500, respectively.

The Agency receives a substantial amount of its support from federal, state and local governments in the form of grants. If a significant reduction in the level of this support were to occur, the Agency's programs and activities could be adversely impacted.

## NOTE 4 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Beneficial interest in assets held by others includes amounts transferred to The Savannah Community Foundation, Inc. to establish two endowments; The Senior Citizens Savannah Chatham County, Inc. Endowment Service Fund and The Savannah Section of the National Council of Jewish Women Endowment Fund. These funds are legally controlled by The Savannah Community Foundation, Inc. and distributions from the funds can be requested by the Agency in accordance with the fund agreements. Both funds were established for the purpose of generating income to support programs provided by the Agency. Generally, the initial and ongoing contributions to these funds are considered net assets with donor restrictions and total \$24,820 and \$22,820 as of June 30, 2021 and 2020, respectively. Income generated from the funds is available to support various program services. Assets held by The Savannah Community Foundation, Inc. in which the Agency has a beneficial interest total \$60,706 and \$44,626 at June 30, 2021 and 2020, respectively.

## NOTE 5 - RETIREMENT PLAN

The Agency maintains a salary deferral plan under section 401(k) of the Internal Revenue Code. Eligible employees may contribute up to 15% of their annual compensation to the plan, subject to Internal Revenue Service limitations. The Agency provides a non-discretionary matching contribution of 25%, up to 6% of the employee's compensation. The Agency's matching contribution for the years ended June 30, 2021 and 2020 totaled \$8,797 and \$8,780, respectively.

## NOTE 6 - LINE OF CREDIT

The Agency entered into a line of credit with Queensborough National Bank and Trust Company on January 4, 2019 with an availability of \$1,900,000 and interest accruing on the amount utilized at a fixed rate of 4.25%. The agreement is collateralized by the Agency's real property at 3025 Bull Street, Savannah, Georgia. At June 30, 2021 and 2020, the balance of this line of credit agreement was \$0 and \$126,926, respectively. On August 18, 2020, the line was amended. As part of the amendment, the maximum borrowing availability was reduced to \$500,000, and the interest rate is variable based on the Wall Street Journal US Prime Rate plus 0.50%, with a minimum interest rate of 4%. The line of credit was renewed on August 31, 2021 with an interest rate of 4% and a maturity date of August 30, 2022.

## NOTE 7 - LONG-TERM DEBT

The Agency entered into a construction to permanent loan with Queensborough National Bank and Trust Company on January 4, 2019, with an availability of \$1,400,000 and interest accruing on the amount utilized at a fixed rate of 4.825% through August 2035. The Agency utilized funds from this line of credit during the year ended June 30, 2020 and began making the required monthly interest-only payments. On September 20, 2020, the construction loan was converted from a line of credit to a permanent note payable and the Agency began making the required 179 monthly payments which include interest of 4.825% and a final payment of \$11,023 due on August 20, 2035. The agreement is collateralized by the Agency's property at 3025 Bull Street in Savannah, Georgia.

At June 30, 2021 and 2020, the outstanding balance related to this loan was \$1,348,752 and \$1,400,000, respectively.

Future minimum payments due under this note payable agreement are as follows:

Year ending	
<u>June 30,</u>	
2022	\$ 67,751
2023	71,140
2024	74,542
2025	78,429
2026	82,353
Thereafter	<u>974,537</u>
	<u>\$ 1,348,752</u>

## NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2021 and 2020, amounts restricted by donors of the Agency for a specific purpose or time period are noted below.

	<u>2021</u>	<u>2020</u>
Nutrition	\$ 832,241	\$ 805,826
Other program services	113,009	218,025
Endowment funds	<u>24,820</u>	<u>22,820</u>
	<u>\$ 970,070</u>	<u>\$ 1,046,671</u>

## NOTE 9 - CAPITAL CAMPAIGN

The capital campaign raises funds for the expansion and renovation of the Agency's operating facility. At June 30, 2021 and 2020, capital campaign pledges representing unconditional promises to give which are expected to be collected in future years are summarized as follows:

	<u>2021</u>	<u>2020</u>
Receivable within one year	\$ 79,932	\$ 138,873
Receivable within two to five years	<u>40,763</u>	<u>187,593</u>
Total unconditional promises to give	120,695	326,466
Less allowance for doubtful accounts	(7,804)	(6,629)
Less unamortized discount	<u>(7,589)</u>	<u>(23,929)</u>
Unconditional promises to give, net	<u>\$ 105,302</u>	<u>\$ 295,908</u>

Unconditional promises to give that are expected to be collected in future years have been discounted to the present value of the estimated future cash flows based on a discount rate of 4.825%.

## NOTE 10 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2021 and 2020 consists of the following:

	<u>2021</u>	<u>2020</u>
Land	\$ 471,609	\$ 471,609
Buildings and improvements	5,860,995	5,885,123
Furniture and fixtures	295,116	296,828
Equipment	791,010	773,856
Vehicles	454,620	403,734
Construction in progress	<u>284,918</u>	<u>-</u>
	8,158,268	7,831,150
Accumulated depreciation	<u>(2,669,986)</u>	<u>(2,453,731)</u>
	<u>\$ 5,488,282</u>	<u>\$ 5,377,419</u>

Depreciation expense for the years ended June 30, 2021 and 2020, totaled \$284,539 and \$113,589, respectively.

## NOTE 11 - OPERATING LEASE AGREEMENTS

### Operating lease – as lessor

The Agency leases space in its building to various agencies and retail customers. Initial lease terms generally range from six to twelve months. Rent, utilities, and custodial services are allocated per square foot of space occupied.

## NOTE 11 - OPERATING LEASE AGREEMENTS (continued)

### Operating lease – as lessee

The Agency leases its kitchen facility and certain office equipment under operating leases, expiring at various dates through 2025. Lease expense charged to operations under the lease agreements for the years ended June 30, 2021 and 2020 totaled \$39,032 and \$17,368, respectively. The future minimum rental commitments under these non-cancelable operating leases are as follows:

<u>Year ending June 30,</u>	
2022	\$ 12,252
2023	11,087
2024	4,212
2025	2,457
Thereafter	-
	<u>\$ 30,008</u>

## NOTE 12 - FAIR VALUE MEASUREMENTS

FASB Accounting Standards Codification (ASC) Topic 820, “Fair Value Measurements”, defines fair value as the price that would be received to sell an asset or paid to transfer a liability, in the principal or most advantageous market for the asset or liability, in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of the fair value hierarchy are described below:

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 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liabilities;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset’s or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value.

*Money market accounts:* Money market accounts are stated at fair value, which approximates cost plus accumulated interest earnings to date.

*Equity securities:* Equity securities are valued at the closing market price on which the individual securities are traded.

NOTE 12 - FAIR VALUE MEASUREMENTS (continued)

*Beneficial interest in assets held by others:* The fair value of the Agency's beneficial interest in assets held by The Savannah Community Foundation, Inc. is based upon the Agency's proportionate share of the Foundation's pooled investment portfolio.

The following represents the Agency's assets measured at fair value as of June 30, 2021 and 2020:

	<u>June 30, 2021</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market accounts	\$ 133,345	\$ -	\$ -	\$ 133,345
Equity securities	146,295			146,295
	<u>279,640</u>	<u>-</u>	<u>-</u>	<u>279,640</u>
Beneficial interest in assets held by others			60,706	60,706
	<u>\$ 279,640</u>	<u>\$ -</u>	<u>\$ 60,706</u>	<u>\$ 340,346</u>
	<u>June 30, 2020</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market accounts	\$ 120,346	\$ -	\$ -	\$ 120,346
Equity securities	108,232			108,232
	<u>228,578</u>	<u>-</u>	<u>-</u>	<u>228,578</u>
Beneficial interest in assets held by others			44,626	44,626
	<u>\$ 228,578</u>	<u>\$ -</u>	<u>\$ 44,626</u>	<u>\$ 273,204</u>

The reconciliation of the changes in the Agency's beneficial interest in assets held by others measured at fair value on a recurring basis using significant unobservable inputs (Level 3) is as follows for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Fair value - beginning of year	\$ 44,626	\$ 45,440
Contributions	2,000	-
Investment income	1,140	1,175
Net asset appreciation (depreciation)	13,464	(1,535)
Investment fees	(524)	(454)
Fair value - end of year	<u>\$ 60,706</u>	<u>\$ 44,626</u>

NOTE 13 - CONTINGENCIES

The Agency participates in various federal and state assisted grant programs that are subject to audit by the grantor and, if an examination results in a non-allowance of units of service or expenses, the Agency would be required to reimburse any overpayments. The amount, if any, of units of service or expenditures which may be disallowed by the granting agencies cannot be determined at this time. However, management believes that adjustments, if any, will not have a material effect on the financial statements.

### NOTE 13 - CONTINGENCIES (continued)

In March 2020, there was a global outbreak of a new strain of coronavirus, COVID-19, which the World Health Organization declared to be a global pandemic. To date, the COVID-19 pandemic has resulted in government-imposed quarantines, certain travel restrictions and other public health safety measures. The impact of the COVID-19 pandemic on the Agency's financial condition and results of operations will depend on future developments, including the duration and spread of the pandemic and related advisories and restrictions that could impact the Agency. The impact of the COVID-19 pandemic and associated effects on the Agency and the overall economy are uncertain and cannot be predicted.

In April 2020, the Agency secured \$410,400 in emergency federal funding through the Paycheck Protection Program as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) passed by U.S. Congress on March 27, 2020. The loan may be forgiven if certain requirements are met. Any unforgiven loan proceeds would have accrued interest at 1.00% and matured April 15, 2023. The latest guidance issued by the American Institute of Certified Public Accountants (AICPA) states if an organization expects to meet the forgiveness eligibility criteria and therefore concludes that the loan represents, in substance, a conditional grant contribution, FASB Topic 958 should be applied. The Agency met all remaining conditions for forgiveness. On December 16, 2020, the loan was forgiven by the Small Business Administration and contribution revenue of \$410,400 was recognized.

### NOTE 14 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Agency's financial assets (cash, investments, and receivables) as of June 30, 2021 and 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of year-end.

	<u>2021</u>	<u>2020</u>
Financial assets at year-end	\$ 2,504,715	\$ 2,813,123
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	<u>(970,070)</u>	<u>(1,046,671)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,534,645</u>	<u>\$ 1,766,452</u>

SENIOR CITIZENS, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2021

<u>Federal Grantor / Cluster Title / Pass-Through Grantor / Program Title</u>	<u>Federal Assistance / CFDA Number</u>	<u>Pass-through entity's identifying number</u>	<u>Total federal expenditures</u>
U.S. Department of Health and Human Services			
<i>Aging Cluster</i>			
Pass-through from Coastal Regional Commission of Georgia Area Agency on Aging			
Nutrition Services Incentive Program	93.053	2021.1-14	\$ 311,330
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	2021.1-14	210,869
COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	2021.1-14	219,353
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	2021.1-12	4,660
COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	2021.1-12	<u>24,272</u>
<i>Total Aging Cluster</i>			770,484
<i>Other Programs</i>			
Pass-through from Coastal Regional Commission of Georgia Area Agency on Aging			
Social Services Block Grant	93.667	2021.1-14	<u>12,868</u>
Total U.S. Department of Health and Human Services			<u>783,352</u>
Corporation for National and Community Service			
<i>Senior Companion Cluster</i>			
Senior Companion Program	94.016	20SCSGA001	<u>307,527</u>
<i>Total Senior Companion Cluster</i>			<u>307,527</u>
Total Corporation for National and Community Service			<u>307,527</u>

(continued on the next page)

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards

SENIOR CITIZENS, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2021

(continued)

	<u>Federal Assistance / CFDA Number</u>	<u>Pass-through entity's identifying number</u>	<u>Total federal expenditures</u>
U.S. Department of Agriculture			
Pass-through from Georgia Department of Early Care and Learning Child and Adult Care Food Program	10.558	03426	<u>5,192</u>
Total U.S. Department of Agriculture			<u>5,192</u>
U.S. Department of Housing and Urban Development			
<i>Community Development Block Grant - Entitlement Grants Cluster</i>			
Pass-through from City of Hinesville			
Community Development Block Grant Program for Entitlement Communities	14.218		<u>19,848</u>
<i>Total Community Development Block Grant - Entitlement Grants Cluster</i>			<u>19,848</u>
Total U.S. Department of Housing and Urban Development			<u>19,848</u>
Federal Emergency Management Agency			
Pass-through from United Way			
Emergency Food and Shelter Program	97.024		10,291
COVID-19 Emergency Food and Shelter Program	97.024		<u>10,000</u>
Total Federal Emergency Management Agency			<u>20,291</u>
Total expenditures of federal awards			<u>\$ 1,136,210</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards

SENIOR CITIZENS, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Agency under programs for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Agency.

NOTE 2 - SUMMARY OF SIGNIFICANT 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.

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

No federal awards were provided to subrecipients.



Holland, Bromley,  
Barnhill & Brett LLP  
Certified Public Accountants and Business Advisors

CHRISTOPHER H. HOLLAND, CPA  
S. STEWART BROMLEY, CPA  
RONNIE A. BARNHILL, JR., CPA  
SHANNON L. BRETT, CPA, CFE

**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 of  
Senior Citizens, Inc.  
Savannah, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Senior Citizens, Inc. (the "Agency") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, 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 15, 2021.

**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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Holland, Bromley, Barnhill & Brett, LLP". The signature is written in a cursive, flowing style.

Holland, Bromley, Barnhill & Brett, LLP  
Savannah, Georgia  
December 15, 2021



Holland, Bromley,  
Barnhill & Brett LLP  
Certified Public Accountants and Business Advisors

CHRISTOPHER H. HOLLAND, CPA  
S. STEWART BROMLEY, CPA  
RONNIE A. BARNHILL, JR., CPA  
SHANNON L. BRETT, CPA, CFE

**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 of  
Senior Citizens, Inc.  
Savannah, Georgia

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of Senior Citizens, Inc. (the "Agency") (a nonprofit organization) 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 June 30, 2021. 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.

***Management's Responsibility***

Management is responsible for compliance with 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 of America; 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). 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 of the Agency's compliance.

### ***Opinion on 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 June 30, 2021.

### **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 compliance 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 to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and 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 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Holland, Bromley, Barnhill & Brett, LLP  
Savannah, Georgia  
December 15, 2021

SENIOR CITIZENS, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2021

**Section I - Summary of Auditor's Results:**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? No
- Noncompliance material to the financial statements noted? No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? No

Type of auditor's report issued on noncompliance for major programs Unmodified

Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major programs:

<u>Program Name</u>	<u>CFDA/Federal Assistance Numbers</u>
Aging Cluster	93.044, 93.045, & 93.053

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee? Yes

**Section II - Financial Statement Findings:**

During our audit, we noted no material findings for the year ended June 30, 2021.

**Section III - Federal Awards Findings and Questioned Costs:**

During our audit, we noted no reportable findings for the year ended June 30, 2021.