

**Area Agency on Aging of  
Pasco-Pinellas, Inc.**

**Financial Statements and  
Compliance Reports**

**December 31, 2020**

# CONTENTS

	<u>Page</u>
<b>INDEPENDENT AUDITOR'S REPORT</b>	-
<b>FINANCIAL STATEMENTS:</b>	
Statement of Financial Position	1
Statement of Activities and Changes in Net Assets	2
Statement of Functional Expenses	3-4
Statement of Cash Flows	5
Notes to the Financial Statements	6-13
<b>SUPPLEMENTARY INFORMATION:</b>	
Schedule of Expenditures of Federal Awards and State Financial Assistance	14-15
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	16
<b>GRANT COMPLIANCE:</b>	
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>Government Auditing Standards</i>	17-18
Independent Auditor's Report on Compliance for Each Major Federal Program and State Financial Assistance Project and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.650, Rules of the Auditor General of the State of Florida	19-20
Schedule of Findings and Questioned Costs	21-22



## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Area Agency on Aging of Pasco-Pinellas, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Area Agency on Aging of Pasco-Pinellas, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, 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.

### ***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 Area Agency on Aging of Pasco-Pinellas, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Report on Summarized Comparative Information*

We have previously audited Area Agency on Aging of Pasco-Pinellas, Inc.'s 2019 financial statements, and our report dated August 31, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### *Other Information*

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 and state financial assistance, 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* and Chapter 10.650, Rules of the Auditor General, 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 DATE, on our consideration of Area Agency on Aging of Pasco-Pinellas, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control over financial reporting and compliance.



Sarasota, Florida  
July 23, 2021

Area Agency on Aging of Pasco-Pinellas, Inc.

Statement of Financial Position

December 31, 2020

(with comparative totals for 2019)

**ASSETS**

	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 3,283,118	3,016,540
Prepaid expenses	44,574	6,611
Due from grantors	3,325,674	3,434,433
Other current assets	<u>18,375</u>	<u>18,375</u>
Total current assets	<u>6,671,741</u>	<u>6,475,959</u>
Furniture and equipment, net	<u>26,657</u>	<u>21,302</u>
Total assets	<u><u>\$ 6,698,398</u></u>	<u><u>6,497,261</u></u>

**LIABILITIES AND NET ASSETS**

Current liabilities:		
Accounts payable	\$ 101,907	50,199
Accrued expenses	238,819	144,370
Due to subrecipients	3,090,560	3,649,378
Refundable advances	<u>3,843</u>	<u>4,067</u>
Total current liabilities	3,435,129	3,848,014
Deferred rent	<u>223,881</u>	<u>226,508</u>
Total liabilities	<u><u>3,659,010</u></u>	<u><u>4,074,522</u></u>
Net assets:		
Without donor restrictions	<u>3,039,388</u>	<u>2,422,739</u>
Total net assets	<u>3,039,388</u>	<u>2,422,739</u>
Total liabilities and net assets	<u><u>\$ 6,698,398</u></u>	<u><u>6,497,261</u></u>

See accompanying notes to financial statements.

**Area Agency on Aging of Pasco-Pinellas, Inc.**

**Statement of Activities and Changes in Net Assets**

Year Ended December 31, 2020

(with comparative totals for 2019)

	2020	2019
<b>Support and revenues</b>		
Public support		
Federal grants	\$ 10,442,531	9,334,396
State grants	11,686,230	10,902,621
Local grants	3,096,541	2,252,596
Other revenue	104,903	169,383
In-kind	363,466	538,129
Total support and revenues	25,693,671	23,197,125
<b>Expenses</b>		
Program services:		
DOEA pass through programs	20,362,117	18,326,925
Information and referral	309,943	506,715
Outreach	29,904	64,624
Screening and assessment	110,876	242,605
OAA intake	56,524	156,452
Community Care for the Elderly (CCE) intake	374,568	331,422
Alzheimer's Disease Initiative (ADI) intake	75,100	85,092
Emergency Home Energy Assistance Program (EHEAP)	23,791	35,473
Serving Health Insurance Needs of Elders (SHINE)	264,186	238,267
Title VII Elder Abuse	18,836	21,380
Medicaid specialist	154,123	198,522
Aging and Disability Resource Center	348,154	310,292
Victims of Crime Advocates (VOCA)	216,810	248,887
Thrive	43,760	18,029
<u>CARES Act</u>		
Information and referral	152,039	-
Intake	37,338	-
Outreach	23,900	-
IIIE	124,202	-
ADRC - No wrong doors project	48,540	-
Other programs	612,155	589,347
Total program services	23,386,866	21,374,032
Supporting services:		
Management and general	1,169,509	1,513,152
Total expenses	25,077,022	22,887,184
Change in net assets	616,649	309,941
Net assets - beginning of year	2,422,739	2,112,798
Net assets - end of year	\$ 3,039,388	2,422,739

See accompanying notes to financial statements.

**Area Agency on Aging of Pasco-Pinellas, Inc.**

**Statement of Functional Expenses**  
 Year Ended December 31, 2020  
 (with comparative totals for 2019)

	Program Services											
	DOEA Pass Through Programs	Information and Referral	Outreach	Screening and Assessment	OAA Intake	CCE Intake	ADI Intake	EHEAP	SHINE	Title VII Elder Abuse	Medicaid Specialist	Aging and Disability Resource Center
Expenses:												
Salaries	\$ -	179,482	19,200	72,142	36,039	221,060	54,120	17,087	168,486	11,513	103,275	210,721
Payroll taxes	-	13,003	1,047	3,985	2,258	15,481	4,086	1,276	12,432	827	7,653	15,558
Employee benefits	-	44,003	4,002	12,904	5,989	61,713	10,474	2,227	44,732	1,301	17,001	53,943
Building rent	-	29,284	1,416	6,487	4,353	27,232	4,704	2,420	15,915	2,537	12,331	31,384
Telephone	-	4,526	379	1,074	637	4,204	706	315	2,713	444	1,394	4,604
Insurance	-	-	-	-	-	-	-	-	596	-	-	1,228
Travel	-	-	289	708	-	37	-	-	545	50	71	-
Training and development	-	2,222	-	-	300	400	100	-	-	145	400	1,200
Small equipment purchases	-	3,643	29	418	110	379	56	37	2,484	280	7,450	18,223
Office Supplies	-	1,363	61	1,302	188	1,827	84	73	1,924	588	698	1,089
Postage	-	990	53	242	183	1,368	229	157	1,440	179	487	1,572
Printing	-	1,395	33	73	49	334	62	28	229	135	147	382
Equipment rental	-	1,177	57	262	184	1,075	185	96	776	200	473	1,209
Subcontracted services	-	-	-	-	-	-	-	-	6,000	-	-	-
Legal and consulting	-	-	-	-	-	-	-	-	-	-	-	-
Audit and accounting fees	-	-	-	-	-	-	-	-	-	-	-	-
Advertising	-	157	-	-	7	15	7	-	259	15	-	108
Dues and subscriptions	-	399	-	-	-	-	-	-	-	-	1,714	4,286
Client/volunteer expense	-	-	-	-	-	-	-	-	4,886	-	-	-
Meals	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance	-	665	32	147	99	624	102	55	458	506	284	711
Storage	-	290	10	44	30	270	56	20	193	173	102	313
Other/miscellaneous	-	2,874	305	-	386	549	129	-	118	(57)	643	1,623
Disbursements to subrecipients	13,775,894	-	-	-	-	-	-	-	-	-	-	-
Providers (vendors)	3,770,292	-	-	-	-	-	-	-	-	-	-	-
Home care for the elderly subsidies	511,331	-	-	-	-	-	-	-	-	-	-	-
VA Expenses	2,304,600	-	-	-	-	-	-	-	-	-	-	-
In-kind	-	24,470	2,991	11,088	5,712	38,000	-	-	-	-	-	-
<b>Total before depreciation</b>	<b>20,362,117</b>	<b>309,943</b>	<b>29,904</b>	<b>110,876</b>	<b>56,524</b>	<b>374,568</b>	<b>75,100</b>	<b>23,791</b>	<b>264,186</b>	<b>18,836</b>	<b>154,123</b>	<b>348,154</b>
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>\$ 20,362,117</b>	<b>309,943</b>	<b>29,904</b>	<b>110,876</b>	<b>56,524</b>	<b>374,568</b>	<b>75,100</b>	<b>23,791</b>	<b>264,186</b>	<b>18,836</b>	<b>154,123</b>	<b>348,154</b>

See accompanying notes to financial statements.

**Area Agency on Aging of Pasco-Pinellas, Inc.**

**Statement of Functional Expenses - Continued**

Year Ended December 31, 2020

(with comparative totals for 2019)

	Program Services								Supporting Services			2019 Total
	CARES Act								Total Program Services	Management and General	2020 Total Expenses	
	VOCA	Thrive	Information and Referral	Intake	Outreach	III E	ADRC No Wrong Door Project	Other Programs				
Expenses:												
Salaries	112,670	29,739	97,999	22,672	13,459	80,308	1,781	172,344	1,624,097	638,244	2,262,341	2,232,164
Payroll taxes	8,619	2,262	7,206	2,158	1,343	7,241	132	12,816	119,383	48,021	167,404	163,675
Employee benefits	25,926	6,577	25,086	5,232	2,941	21,358	373	38,008	383,790	102,469	486,259	567,470
Building rent	15,180	3,615	14,735	5,537	1,497	10,067	47	21,622	210,363	62,482	272,845	268,028
Telephone	3,236	637	2,894	866	197	1,875	7	4,248	34,956	12,757	47,713	45,199
Insurance	-	-	-	-	-	-	-	298	2,122	31,760	33,882	24,452
Travel	1,006	183	-	-	-	176	-	166	3,231	5,919	9,150	29,981
Training and development	(465)	-	130	-	130	-	-	162	4,724	5,445	10,169	16,339
Small equipment purchases	-	51	17	35	68	600	31,789	7,391	73,060	122,742	195,802	72,574
Office Supplies	358	197	994	77	132	1,035	1	1,175	13,166	9,323	22,489	36,636
Postage	729	206	1,254	323	114	549	22	1,281	11,378	3,557	14,935	18,427
Printing	119	34	256	66	13	147	1	322	3,825	3,282	7,107	14,213
Equipment rental	499	125	563	192	50	384	2	1,090	8,599	5,364	13,963	16,377
Subcontracted services	-	-	-	-	1,315	-	14,383	69,562	91,260	223,444	314,704	96,711
Legal and consulting	-	-	-	-	-	-	-	-	-	12,934	12,934	3,952
Audit and accounting fees	-	-	-	-	-	-	-	-	-	33,200	33,200	27,499
Advertising	-	32	266	-	1,000	-	-	47	1,913	22,352	24,265	4,078
Dues and subscriptions	-	-	-	-	-	-	-	-	6,399	26,925	33,324	11,318
Client/volunteer expense	32	-	-	-	-	-	-	174,655	179,573	124	179,697	150,987
Meals	-	-	-	-	-	-	-	-	-	-	-	178
Maintenance	365	82	359	121	35	232	1	557	5,435	9,370	14,805	9,290
Storage	(10)	20	151	59	15	121	1	242	2,100	3,888	5,988	2,638
Other/miscellaneous	9,680	-	129	-	1,591	109	-	106,169	124,248	52,462	176,710	202,273
Disbursements to subrecipients	-	-	-	-	-	-	-	-	13,775,894	-	13,775,894	11,251,296
Providers (vendors)	-	-	-	-	-	-	-	-	3,770,292	-	3,770,292	4,902,719
Home care for the elderly subsidies	-	-	-	-	-	-	-	-	511,331	-	511,331	484,801
VA Expenses	-	-	-	-	-	-	-	-	2,304,600	-	2,304,600	1,688,109
In-kind	<u>38,866</u>	-	-	-	-	-	-	-	<u>121,127</u>	<u>242,339</u>	<u>363,466</u>	<u>538,129</u>
Total before depreciation	<u>216,810</u>	<u>43,760</u>	<u>152,039</u>	<u>37,338</u>	<u>23,900</u>	<u>124,202</u>	<u>48,540</u>	<u>612,155</u>	<u>23,386,866</u>	<u>1,678,403</u>	<u>25,065,269</u>	<u>22,879,513</u>
Depreciation	-	-	-	-	-	-	-	-	-	<u>11,753</u>	<u>11,753</u>	<u>7,671</u>
Total expenses	<u><u>216,810</u></u>	<u><u>43,760</u></u>	<u><u>152,039</u></u>	<u><u>37,338</u></u>	<u><u>23,900</u></u>	<u><u>124,202</u></u>	<u><u>48,540</u></u>	<u><u>612,155</u></u>	<u><u>23,386,866</u></u>	<u><u>1,690,156</u></u>	<u><u>25,077,022</u></u>	<u><u>22,887,184</u></u>

See accompanying notes to financial statements.



**Area Agency on Aging of Pasco-Pinellas, Inc.**

**Statement of Cash Flows**  
 Year Ended December 31, 2020  
 (with comparative totals for 2019)

	2020	2019
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 616,649	309,941
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	11,753	7,671
(Increase) decrease in:		
Prepaid expenses	(37,963)	2,868
Due from grantors	108,759	(908,280)
Other current assets	-	4,821
Increase (decrease) in:		
Accounts payable	51,708	(425,414)
Accrued expenses	94,449	47,353
Due to subrecipients	(558,818)	846,498
Refundable advances	(224)	(29,784)
Deferred rent	(2,627)	5,633
Total adjustments	(332,963)	(448,634)
Net cash flows from operating activities	283,686	(138,693)
<b>Cash flows from investing activities:</b>		
Purchase of furniture and equipment	(17,108)	(8,020)
Net cash flows from investing activities	(17,108)	(8,020)
Increase (decrease) in cash and cash equivalents	266,578	(146,713)
Cash and cash equivalents - beginning of year	3,016,540	3,163,253
Cash and cash equivalents - end of year	\$ 3,283,118	3,016,540

See accompanying notes to financial statements.

## Area Agency on Aging of Pasco-Pinellas, Inc.

### Notes to Financial Statements

December 31, 2020

#### **Note 1 – Organization, Programs, and Summary of Significant Accounting Policies:**

##### Organization

The Area Agency on Aging of Pasco-Pinellas, Inc. (AAAPP) was established in April 2000 as a not-for-profit organization providing funding to various service providers in Pasco and Pinellas County for services to persons 60 and older as well as those with disabilities. Support for these services is provided by federal and state governmental entities.

##### Programs

###### *Department of Elder Affairs (DOEA) Pass Through Programs*

- *Older Americans Act (OAA)*—This funding provides services such as Adult Day Care, Counseling, Chore, Homemaker, Transportation, Congregate Dining and Home Delivered Meals to persons age 60 and older.
- *Community Care for the Elderly*—Provides community-based services organized in a continuum of care to help functionally impaired elders live in the least restrictive yet most cost-effective environment suitable to their needs.
- *Home Care for the Elderly*—Supports care for persons age 60 and older in family-type living arrangements within private homes, as an alternative to institutional or nursing home care. A basic subsidy is provided for support and maintenance of the elder, including some medical costs. A special subsidy may also be provided for services and/or supplies.
- *Alzheimer's Disease Initiative*—Provides a continuum of services to meet the changing needs of individuals with, and families affected by, Alzheimer's disease and related disorders.
- *Local Service Program*—Provides additional funding to expand long-term care alternatives enabling elders age 60 or older to maintain an acceptable quality of life in their own homes and avoid or delay nursing home placement.
- *Emergency Home Energy Assistance for the Elderly*—Assists low-income households, with at least one person age 60 and older, when the households are experiencing a home energy emergency.

AAAPP provides services to adults with disabilities and persons 60 and older. Services provided are as follows:

*Information and Referral*—This service guides individuals to community resources, including government funded programs, non-profit agencies, and for-profit business serving Pinellas and Pasco counties.

*Caregiver Support Program*—The National Family Caregiver Support Program helps unpaid caregivers of any age caring for persons 60 years of age or older. The goal of this program is to relieve the emotional, physical and financial hardships of providing continual care.

*Older Americans Act Intake*—Provides screening, re-screening and prioritization for the services provided under the Older Americans Program that range from single services like homemaker, adult day care transportation and nutrition.

**Area Agency on Aging of Pasco-Pinellas, Inc.**

**Notes to Financial Statements – Continued**

December 31, 2020

**Note 1 – Organization, Programs, and Summary of Significant Accounting Policies – Continued:**

*Community Care for the Elderly Intake-* Provides screening, re-screening and prioritization for the CCE program that range from single services like nutrition and adult day care to case managed programs that provide a continuum of in-home supportive services.

*Alzheimer's Disease Initiative Intake-*Provides screening, re-screening and prioritization for the ADI program that range from single services like respite, adult day care to case managed programs that provide a continuum of in-home supportive services.

*Emergency Home Energy Assistance for the Elderly-*The AAAPP manages the program and provides monitoring, training, and technical assistance to the service providers in Pasco and Pinellas counties.

*Serving Health Insurance Needs of Elders (SHINE)-*The SHINE program provides free, unbiased and high-quality health insurance counseling through a dedicated network of SHINE volunteers, empowering individuals to make informed health care choices.

*Title VII Elder Abuse-*Provides education, training and information services focused on the prevention of elder abuse, neglect and exploitation.

*Medicaid Specialist-*Provides services to facilitate entry into the long-term care service system, screen for potential Medicaid eligibility, and maintain the APCL for publicly-funded long-term care programs and services.

*Aging and Disability Resource Center (ADRC)-*The ADRC screens, rescreens and prioritizes individuals who are seeking help from federal and state funded programs in order to remain independent in the community. The ADRC assists clients who need community based long-term care through the statewide Medicaid managed care long-term care program. The ADRC provides long-term care education and assists with Medicaid eligibility for persons 18 or older and determined disabled by the Social Security Administration, or be age 65 or older and enrolled in Medicare PARTS A and B.

*Victims of Crime Act (VOCA)-*This federal assistance grant provides funding for use in responding to the emotional and physical needs of crime victims, assisting victims in stabilizing their lives after their victimization, helping victims to understand and participate in the criminal justice system and providing victims with a measure of safety and security.

*Cares Act - Coronavirus Aid, Relief, and Economic Security (CARES) Act –* DOEA provided additional support for established services such as Counseling, Chore, Homemaker, Transportation, Congregate Dining and Home Delivered Meals to persons age 60 and older. In addition to these programs funding was provided for Dining Out at Home to expanded meal choices for food insecure older adults, utilizing 16 local restaurants.

**Area Agency on Aging of Pasco-Pinellas, Inc.**

**Notes to Financial Statements – Continued**

December 31, 2020

**Note 1 – Organization, Programs, and Summary of Significant Accounting Policies – Continued:**

*Cares Act - Emergency Home Energy Assistance for the Elderly (EHEAP)* - DOEA provided additional support for established EHEAP programming assisting for low-income households, with at least one person 60 or older, when the households are experiencing a home energy emergency.

*Other Programs*

*Veterans Directed Home and Community Based Services (VDHCBS)*—This program provides eligible veterans of any age who are determined by the Veterans Administration to be at risk of institutional placement the opportunity to hire employees deciding for themselves what mix of goods and services will best meet their needs to help them live independently.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Agency and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. There were no net assets with donor restrictions as of December 31, 2020.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Agency considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Due from Grantors

Amounts due from grantors represent amounts receivable from grantor agencies for allowable expenses incurred before December 31, 2020. Management believes all expenses are allowable under the grant requirements and are fully collectible. As such, no allowance for doubtful accounts is considered necessary.

Due to Subrecipients

Amounts due to subrecipients represent amounts requested for reimbursement from the Agency for allowable expenses incurred by the sub-recipients before December 31, 2020.

**Area Agency on Aging of Pasco-Pinellas, Inc.**

**Notes to Financial Statements – Continued**

December 31, 2020

**Note 1 – Organization, Programs, and Summary of Significant Accounting Policies – Continued:**

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the fair market value at the date of donation. The Agency capitalizes purchases over \$5,000 and depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 5 years.

Liability for Amounts Held on Behalf of Others

In accordance with current accounting standards on *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions to Others*, the Agency recognizes a liability for funds received and held for the sole benefit of another Organization.

Refundable Advances

Refundable advances represent advances from third parties that require the Agency to achieve certain objectives. Should the Agency not achieve these objectives, the funds would be returned to the third party.

Revenue Recognition

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

In-Kind Contributions

Contributions of non-cash assets are recorded at estimated fair value in the period received. In accordance with GAAP, the Agency records contributed services received create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Many volunteers have contributed significant amounts of time to activities of the Agency without compensation. The financial statements do not reflect the value of those contributed services because they do not meet the above recognition criteria. The estimated fair value of the volunteers is approximately \$25,000.

Advertising Costs

The Agency charges costs of advertising to operations as incurred. Advertising expenses were approximately \$24,265 for the year ended December 31, 2020.

Donated Services

The Agency recognizes donated services that create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with restrictions. When a restriction expires, these are reclassified to net assets without restrictions.

## Area Agency on Aging of Pasco-Pinellas, Inc.

### Notes to Financial Statements – Continued

December 31, 2020

#### **Note 1 – Organization, Programs, and Summary of Significant Accounting Policies – Continued:**

##### Income Tax Status

The Agency has been determined to be an organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Income from certain activities not directly related to the Agency's tax-exempt purpose is subject to taxation as unrelated business income.

Management has evaluated the effect of accounting standards relating to accounting for uncertainty in income taxes. Management has determined that the Agency had no uncertain income tax positions that could have a significant effect on the financial statements for the year ended December 31, 2020. The Agency's federal income tax returns are subject to examination by the Internal Revenue Service, generally for three years after the federal income tax returns were filed.

##### Expense Allocation

The cost of providing various programs and other activities has been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are directly charged to the program activities other than those that benefit multiple functions. The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Organization. Those expenses include salaries, related personnel costs and occupancy. Salaries and related personnel costs are allocated based on time studies. Occupancy is allocated based on a square footage basis.

##### Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support without restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Agency reclassifies net assets with restriction to net assets without restrictions at that time.

##### Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

**Area Agency on Aging of Pasco-Pinellas, Inc.**

**Notes to Financial Statements – Continued**

December 31, 2020

**Note 2 – Uninsured Cash Balances:**

The Agency maintains its cash balances at financial institutions located in St. Petersburg, Florida. Accounts at each financial institution are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per customer. The Agency from time to time may have amounts on deposit in excess of the insurance limits. As of December 31, 2020, the Agency had cash and cash equivalents of approximately \$4,079,000 which exceeded the insured amounts.

**Note 3 – Concentrations:**

The Agency's activities are conducted in Pinellas and Pasco County, Florida and are supported by funding provided by government agencies. The Agency is dependent upon grants from federal and state agencies for its principal source of revenues. A significant decline in funding to the Agency could adversely affect the operating results of the Agency.

**Note 4 – Property and Equipment:**

Property and equipment consist of the following:

Furniture and equipment	\$ 203,362
Less: accumulated depreciation	<u>(176,705)</u>
Net property and equipment	<u>\$ 26,657</u>

The Agency has restrictions on disposals of fixed assets pursuant to grantor contracts. The Agency can gift fixed assets to its provider or dispose of fixed assets with the permission of the provider. During the year ended December 31, 2020, the Agency did not dispose of any furniture and equipment.

**Note 5 – Lease Commitments:**

The Agency leases office space in St. Petersburg, Florida under a lease accounted for as an operating lease maturing in January 2028. The Agency also leases office equipment under several operating leases. At the end of the lease terms, these leases are subject to renewal at the discretion of the lessors. Total rent expense for the year ended December 31, 2020 was \$286,808.

Future minimum lease commitments are due as follows:

2021	\$ 301,281
2022	308,365
2023	315,365
2024	317,391
2025	319,417
Thereafter	687,667

**Area Agency on Aging of Pasco-Pinellas, Inc.**

**Notes to Financial Statements – Continued**

December 31, 2020

**Note 6 – Employee Benefit Plan:**

The Agency has established a 401(k) profit-sharing plan which covers all full-time employees who complete 6 months of service and choose to participate in the plan. Employees are fully vested after 5 years of service or when the participant has reached retirement age or upon death or disability. Annual contributions of the Agency are voluntary and are made at the discretion of the Board of Directors. For 2020, the Board of Directors approved a contribution of 10% of all eligible employee salaries, which was \$163,061 for the year ended December 31, 2020.

**Note 7 – Contingency:**

Expenditures incurred by the Agency and the subgrantees are subject to audit and possible disallowances by federal and state agencies. The Agency would be responsible for recovery (reimbursement to the grantor agency) of disallowed amounts incurred by subgrantees if they were not able to repay the amounts disallowed. It is the opinion of management that no grant expenditures would be disallowed.

**Note 8 – In-kind Contributions:**

The following schedule summarizes the in-kind contributions received for the year ended December 31, 2020:

Pinellas County public access TV	\$ 231,000
Pasco County public access TV	93,600
Facilities space use	31,076
Cell phone donations	7,790
Total In-kind contributions	<u>\$ 363,466</u>

**Note 9 – Liquidity:**

The Organization receives the vast majority of its funding from federal and state grants for programs. Funding provided by these grants is primarily based on reimbursements of costs incurred or unit-based funding formulas. In addition, certain grants allow for cash advances to provide cash flow. These grants fund programs, the services of which are provided by the Organization and subrecipients. Requests for reimbursement are prepared monthly by the Organization and submitted to the grantor agencies. Likewise, subrecipients provide monthly requests for reimbursement to the Organization. The Organization's contracts and agreements specifically state that subrecipients will not be reimbursed for services until the organization receives payment from the grantor. As a result, the focus of the Organization's liquidity management is to have sufficient cash available to pay subrecipients on a timely basis. During the year ended December 31, 2020 the Organization was able to meet this objective.

As of December 31, 2020, the following financial assets could readily be made available within one month of the balance sheet date to meet amounts due subrecipients and other general expenditures:

Cash and cash equivalents	\$ 3,283,118
Due from grantors	<u>3,325,674</u>
Total financial assets	6,608,792
Less amounts due to subrecipients	<u>(3,090,560)</u>
Net financial assets	<u>\$ 3,518,232</u>



**Area Agency on Aging of Pasco-Pinellas, Inc.**

**Notes to Financial Statements – Continued**

December 31, 2020

**Note 10 – COVID-19:**

On January 30, 2020, The World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (COVID-19) and the risks to the international community as the virus spread globally. On March 11, 2020, the WHO declared the COVID-19 to be a pandemic and requested actions to be taken in every country in the world to help mitigate the spread of the virus. Due to the pandemic management, in an abundance of caution and with the support of the Agency's Board of Directors and Department of Elder Affairs (DOEA), the Agency's offices closed in March 2020 and all staff began working remotely. Essential workers were identified, who maintained the key operational functions of the AAAPP continued to work from the office, so that the agency could provide needed support to staff, providers, vendors and clients.

On March 18, 2020 Congress enacted the Families First Coronavirus Response Act (FFCRA) creating emergency supplemental appropriations to provide funds for various economic emergencies due to COVID-19. DOEA quickly provided the Agency with emergency funding through the FFCRA, for nutritional services for congregate and home delivered meals. The Agency utilized part of the funds to partner with local restaurants to provide fresh, healthy food to our clients. In addition, on March 27, 2020 the Coronavirus Aid Relief and Economic Security Act (CARES Act) was enacted. The Agency received additional funding to implement a telephone reassurance program with the CARES Act Funding and allocated funding across the provider network for every service offered in PSA5. Due to the funding received, the financial position of the Agency was not adversely affected by COVID-19. Additional administrative funds were also allocated to provide the Agency with the necessary resources to monitor its providers and provide technical assistance. Agency maintained and enhanced provider services in Pasco and Pinellas Counties to ensure that seniors and adults with disabilities received services to stay healthy, safe and independent.

**Note 11 – Subsequent Events:**

Subsequent events have been evaluated through July 23, 2021, which is the date the financial statements were available to be issued.

**Area Agency on Aging of Pasco-Pinellas, Inc.**

**Schedule of Expenditures of Federal Awards and State Financial Assistance  
Year Ended December 31, 2020**

<b>FEDERAL AWARDS:</b>	<b>Federal CFDA Number</b>	<b>Contract Grant Number</b>	<b>Expenditures</b>	<b>Transfers to Subrecipients</b>
<b>U.S. Department of Health and Human Services</b>				
<b>Passed through the State of Florida Department of Elder Affairs</b>				
<b>Administration for Community Living</b>				
Special Programs for the Aging -Title III, Part D I - Disease Prevention and Health Promotion Services 01/01/20-12/31/20	93.043	EA020	\$ 43,334	\$ 43,334
National Family Caregiver Support -Title III, Part E 01/01/20-12/31/20	93.052	EA020	350,840	251,054
National Family Caregiver Support -Title III, Part E 04/01/20-9/30/21	93.052	ECA020	457,060	332,931
COVID-19 - National Family Caregiver Support - Title III, Part E 07/01/20-06/30/21 (ADRC Cares Act)	93.052	EXC20	48,541	
Special Programs for the Aging -Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation 01/01/20-12/31/20	93.041	E7020	21,267	-
<b>Administration for Community Living</b>				
Medicare Enrollment Assistance - 9/30/2019-9/29/2020	93.071	EB020	124,528	-
Medicare Enrollment Assistance - 10/01/2020-9/30/2021	93.071	EB021	45,088	-
			<u>169,616</u>	<u>-</u>
<b>Aging Cluster</b>				
Special Programs for the Aging -Title III Admin 01/01/20-12/31/20	93.044-45	EA020	527,481	-
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers 01/01/20-12/31/20	93.044	EA020	1,422,504	957,461
Special Programs for the Aging - Title III, Part C-I - Nutrition Services 01/01/20-12/31/20	93.045	EA020	346,608	346,608
Special Programs for the Aging - Title III, Part C-II - Nutrition Services 01/01/20-12/31/20	93.045	EA020	436,542	436,542
COVID 19 - Spec. Prgm for the Aging -Title III Admin 01/01/20-12/31/20 First Family Act	93.044-45	EA020	142,655	-
COVID 19 - Spec. Prgm for the Aging - Title III, Part C-I - Nut Svcs 01/01/20-12/31/20 First Family Act	93.045	EA020	407,969	407,969
COVID 19 - Spec Prgm for the Aging - Title III, Part C-II - Nut Svcs 01/01/20-12/31/20 First Family Act	93.045	EA020	881,459	881,459
<i>Passed through the United State Department of Agriculture</i>				
Nutrition Services Incentive Program 01/01/20-12/31/20	93.053	EA019	351,932	351,932
COVID 19 - Spec Prgm for the Aging -Title III Admin 04/01/2020-09/30/2021	93.044-45	ECA20	395,102	-
COVID 19 - Spec Prgm for the Aging - Title III, Part B - Support Svcs and Senior Cntrs 04/01/2020-09/30/2021	93.044	ECA20	994,395	781,137
COVID 19 - Spec Prgm for the Aging - Title III, Part C-I - Nutrition Services 04/01/2020-09/30/2021	93.045	ECA20	171,631	171,631
COVID 19 - Spec Prgm for the Aging - Title III, Part C-II - Nutrition Services 04/01/2020-09/30/2021	93.045	ECA20	2,166,615	2,166,615
<b>Total Aging Cluster</b>			<u>8,244,893</u>	<u>6,501,354</u>
<b>Total Administration for Community Living</b>			<u>9,335,551</u>	<u>7,128,673</u>
<b>Low-Income Home Energy Assistance Program</b>				
Low-Income Home Energy Assistance Program 10/01/19-09/30/21	93.568	EP019	221,384	197,595
COVID-19 - Low-Income Home Energy Assistance Program 06/01/20-09/30/21		EPC20	111,245	111,245
<b>Total Low-Income Home Energy Assistance Program</b>			<u>332,629</u>	<u>308,840</u>
<b>Centers for Medicare and Medicaid Services</b>				
<b>Medical Assistance Program</b>				
Medical Assistance Program 07/01/14-06/30/20	93.778	EX017	132,070	
Medical Assistance Program 07/01/20-06/30/21		EX020	120,420	-
<b>Total Medical Assistance Program</b>			<u>252,490</u>	<u>-</u>
<b>Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations Program</b>				
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations 04/01/19-03/31/20	93.779	EN019	78,825	-
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations 04/01/20-03/31/21		EN020	236,475	
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations 06/01/19-05/31/20		EG019	17,631	
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations 06/01/20-05/31/21		EG020	20,570	-
<b>Total Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations Program</b>			<u>353,501</u>	<u>-</u>
<b>Total Centers for Medicare and Medicaid Services</b>			<u>605,991</u>	<u>-</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>10,274,171</u>	<u>7,437,513</u>
<b>United States Department of Justice</b>				
<b>Passed through Florida Office of Attorney General</b>				
<b>Crime Victim Assistance Program</b>				
Crime Victim Assistance Program 10/01/19-9/30/20	16.575	VOCA-2019-AAAP-00218	144,691	-
Crime Victim Assistance Program 10/01/20-9/30/21		VOCA-2020-AAAP-00658	34,215	-
<b>Total United States Department of Justice</b>			<u>178,906</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 10,453,077</u>	<u>\$ 7,437,513</u>

See notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**Area Agency on Aging of Pasco-Pinellas, Inc.**

**Schedule of Expenditures of Federal Awards and State Financial Assistance - Continued**  
Year Ended December 31, 2020

STATE FINANCIAL ASSISTANCE:	State CFSA Number	Contract Grant Number	Expenditures	Transfers to Subrecipients
<b>State of Florida Department of Elder Affairs</b>				
<b>State Matching Resources for Federal Programs</b>				
Medical Assistance Program 07/01/17-06/30/20	65.010	EX017	\$ 132,070	\$ -
Medical Assistance Program 07/01/20-06/30/21		EX020	120,420	-
<b>Total Medical Assistance Program</b>			<u>252,490</u>	<u>-</u>
<b>Community Care for the Elderly Program</b>				
Community Care for the Elderly Program 07/01/19-06/30/10	65.010	EC019	3,552,568	3,330,158
Community Care for the Elderly Program 07/01/20-06/30/21		EC020	3,671,607	3,498,094
<b>Total Community Care for the Elderly Program</b>			<u>7,224,175</u>	<u>6,828,252</u>
<b>Alzheimer's Respite Services Program</b>				
Alzheimer's Respite Services 07/01/19-06/30/20	65.004	EZ019	1,093,379	1,051,573
Alzheimer's Respite Services 07/01/20-06/30/21		EZ020	1,097,776	1,066,603
<b>Total Alzheimer's Respite Services Program</b>			<u>2,191,155</u>	<u>2,118,176</u>
<b>Local Services Program</b>				
Local Services Program 07/01/19-06/30/20	65.009	EL019	1,172,744	1,010,825
Local Services Program 07/01/20-06/30/21		EL020	864	864
<b>Total Local Services Program</b>			<u>1,173,608</u>	<u>1,011,689</u>
<b>Home Care for the Elderly Program</b>				
Home Care for the Elderly Program 07/01/19-06/30/20	65.001	EH019	385,478	346,477
Home Care for the Elderly Program 07/01/20-06/30/21		EH020	348,079	309,078
<b>Total Home Care for the Elderly Program</b>			<u>733,557</u>	<u>655,555</u>
<b>Total Expenditures of State Financial Assistance</b>			<u>\$ 11,574,985</u>	<u>\$ 10,613,672</u>

See notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**Area Agency on Aging of Pasco-Pinellas, Inc.**

**Notes to Schedule of Expenditures of Federal Awards  
and State Financial Assistance**

December 31, 2020

**Note 1 – Basis of Presentation:**

The accompanying schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal and state grant activity of the Agency and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with GAAP as applicable to non-profit organizations, and the requirements of the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General of the State of Florida*.

**Note 2 – Indirect Cost Rate:**

The Agency does not use the 10% de minimis indirect cost rate.

**Note 3 – Contingency:**

Expenditures as incurred by the Agency and the subrecipients are subject to audit and possible disallowances by federal and state agencies. The Agency would be responsible for recovery (reimbursement to the grantor agency) of disallowed amounts incurred by subrecipients if they were not able to repay the amounts disallowed. Management believes that, if audited, any adjustment for disallowed expenses would be immaterial.



**CAVANAUGH & CO, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors  
Area Agency on Aging of Pasco-Pinellas, Inc.

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 Area Agency on Aging of Pasco-Pinellas, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, 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 July 23, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's 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**

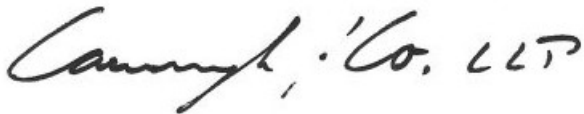
As part of obtaining reasonable assurance about whether Area Agency on Aging of Pasco-Pinellas, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which 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 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.

This report is intended solely for the information and use of management, the Board of Directors, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Cammy, Co. LLP". The signature is written in a cursive, flowing style.

Sarasota, Florida  
July 23, 2021



**CAVANAUGH & CO, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES  
OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Directors  
Area Agency on Aging of Pasco-Pinellas, Inc.

**Report on Compliance for Each Major Federal Program and State Project**

We have audited Area Agency on Aging of Pasco-Pinellas, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of Area Agency on Aging of Pasco-Pinellas, Inc.'s major federal programs and state projects for the year ended December 31, 2020. Area Agency on Aging of Pasco-Pinellas, Inc.'s major federal programs and state projects 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Area Agency on Aging of Pasco-Pinellas, Inc.'s major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, Rules of the Auditor General of the State of Florida. Those standards, the Uniform Guidance and Chapter 10.650 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state projects occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state financial assistance. However, our audit does not provide a legal determination of Area Agency on Aging of Pasco-Pinellas, Inc.'s compliance.

**Opinion on Each Major Federal Program and State Projects**

In our opinion, Area Agency on Aging of Pasco-Pinellas, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended December 31, 2020.

## Report on Internal Control Over Compliance

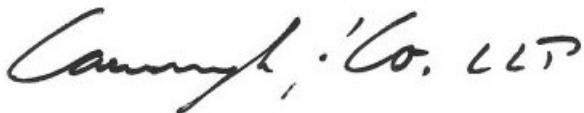
Management of Area Agency on Aging of Pasco-Pinellas, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state financial assistance project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state financial assistance project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state financial assistance project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state financial assistance 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.

This report is intended solely for the information and use of management, the Board of Directors, and others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Sarasota, Florida  
July 23, 2021



**Area Agency on Aging of Pasco-Pinellas, Inc.**

**Schedule of Findings and Questioned Costs -  
Federal Awards and State Financial Assistance  
Year Ended December 31, 2020**

**I. Summary of Auditor's Results**

**Financial Statements**

1. We have audited the financial statements of Area Agency on Aging of Pasco-Pinellas, Inc. as of and for the year ended December 31, 2020 and issued an unmodified opinion.
2. Internal Control over Financial Reporting:
  - A. Material weaknesses identified? No
  - B. Significant deficiencies identified not considered to be a material weakness? No
3. Noncompliance material to the financial statements noted? No

**Federal Awards and State Projects**

4. Internal Control over Major Programs
  - A. Material weaknesses identified? No
  - B. Significant deficiencies identified not considered to be a material weakness? No
5. The auditor's report on compliance with requirements applicable to the major federal programs and state projects expresses an unmodified opinion.
6. Our audit disclosed no findings required to be reported related to federal programs under section 200.516 Audit findings, paragraph (a), nor did our audit disclose any findings related to state projects required to be disclosed under Chapter 10.656 Rules of the Auditor General
7. The programs/projects tested as major programs/projects included the following:

**Federal Program or Cluster**

**CFDA Number**

Department of Health and Human Services	
<u>Aging Cluster:</u>	
Special Programs for the Aging - Title III, Admin.	93.044-45
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044
Special Programs for the Aging - Title III, Part C-I - Nutrition Services	93.045
Special Programs for the Aging - Title III, Part C-II - Nutrition Services	93.045
COVID 19 - Special Programs for the Aging -Title III Admin - First Family Act	93.044-45
COVID 19 - Special Programs for the Aging - Title III, Part C-I - First Family Act	93.045
COVID 19 - Special Programs for the Aging - Title III, Part C-II - First Family Act	93.045
COVID 19 - Special Programs for the Aging -Title III Admin	93.044-45
COVID 19 - Special Programs for the Aging - Title III, Part B - Support Services and Senior Centers	93.044
COVID 19 - Special Programs for the Aging - Title III, Part C-I - Nutrition Services	93.045
COVID 19 - Special Programs for the Aging - Title III, Part C-II - Nutrition Services	93.045
Nutrition Services Incentive Program	93.053

**State Projects**

**CFSA Number**

Department of Elder Affairs	
Community Care for the Elderly	65.010

8. The threshold used for distinguishing Type A and Type B programs was \$750,000 for both major Federal programs and State projects.

**Area Agency on Aging of Pasco-Pinellas, Inc.**

**Schedule of Findings and Questioned Costs -  
Federal Awards and State Financial Assistance - Continued**  
Year Ended December 31, 2019

**I. Summary of Auditor's Results (continued)**

- 9. Area Agency on Aging of Pasco-Pinellas, Inc. qualified as a low-risk auditee under the provisions of Section 200.520, Uniform Guidance.
- 10. Rules of the Auditor General 10.656(3)(e) - A management letter was not required.
- 11. Rules of the Auditor General 10.656(3)(d)5 - There were no prior audit findings to be reported.
- 12. Rules of the Auditor General 10.656(3)(d)6 - No corrective action plan is required because there were no audit findings required to be reported.

**II. Findings Related To The Financial Statements Required to be Reported.**

None

**III. Findings and Questioned Costs for Major Federal Programs and Major State Projects.**

None