

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

**Financial Statements and
Compliance Reports**

December 31, 2021

DRAFT 6/22/22

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the financial statements present fairly, in all material respects, the financial position of Area Agency on Aging of Pasco-Pinellas, Inc. as of December 31, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Report on Summarized Comparative Information

We have previously audited Area Agency on Aging of Pasco-Pinellas, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 3, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary 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* 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 schedule of expenditures of federal awards and state financial assistance 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, 2021, 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 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 Area Agency on Aging of Pasco-Pinellas, Inc.'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 Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control over financial reporting and compliance.

Sarasota, Florida
DATE, 2022

DRAFT 6/2/22

Area Agency on Aging of Pasco-Pinellas, Inc.

Statement of Financial Position

December 31, 2021

(with comparative totals for 2020)

ASSETS

	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and cash equivalents	\$ 5,846,683	3,283,118
Prepaid expenses	48,915	44,574
Due from grantors	2,327,442	3,325,674
Other current assets	18,375	18,375
Total current assets	<u>8,241,415</u>	<u>6,671,741</u>
Furniture and equipment, net	<u>11,530</u>	<u>26,657</u>
Total assets	<u>\$ 8,252,945</u>	<u>6,698,398</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 59,808	101,907
Accrued expenses	282,567	238,819
Due to subrecipients	3,971,161	3,090,560
Refundable advances	3,668	3,843
Total current liabilities	<u>4,317,204</u>	<u>3,435,129</u>
Deferred rent	<u>212,428</u>	<u>223,881</u>
Total liabilities	<u>4,529,632</u>	<u>3,659,010</u>
Net assets:		
Without donor restrictions	<u>3,723,313</u>	<u>3,039,388</u>
Total net assets	<u>3,723,313</u>	<u>3,039,388</u>
Total liabilities and net assets	<u>\$ 8,252,945</u>	<u>6,698,398</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, 2021
(with comparative totals for 2020)

	2021	2020
Support and revenues		
Public support		
Federal grants	\$ 12,347,027	10,442,531
State grants	12,357,374	11,686,230
Local grants	3,001,894	3,096,541
Other revenue	182,194	104,903
In-kind	688,580	363,466
Total support and revenues	28,577,069	25,693,671
Expenses		
Program services:		
DOEA pass through programs	22,456,448	20,362,117
Information and referral	610,726	309,943
Outreach	68,847	29,904
Screening and assessment	254,343	110,876
OAA intake	135,055	56,524
Community Care for the Elderly (CCE) intake	306,732	374,568
Alzheimer's Disease Initiative (ADI) intake	70,705	75,100
Emergency Home Energy Assistance Program (EHEAP)	31,676	23,791
Serving Health Insurance Needs of Elders (SHINE)	265,249	264,186
Title VII Elder Abuse	21,266	18,836
Medicaid specialist	186,499	154,123
Aging and Disability Resource Center	390,822	348,154
Victims of Crime Advocates (VOCA)	215,247	216,810
American Rescue Plan	367,235	-
Thrive	-	43,760
CARES Act		
Information and referral	-	152,039
Intake	-	37,338
Outreach	-	23,900
IIIE	72,027	124,202
ADRC - No wrong doors project	131,641	48,540
Other programs	677,829	612,155
Total program services	26,262,347	23,386,866
Supporting services:		
Management and general	1,630,797	1,690,156
Total expenses	27,893,144	25,077,022
Change in net assets	683,925	616,649
Net assets - beginning of year	3,039,388	2,422,739
Net assets - end of year	\$ 3,723,313	3,039,388

See accompanying notes to financial statements.

Area Agency on Aging of Pasco-Pinellas, Inc.

Statement of Functional Expenses - Continued

Year Ended December 31, 2021

(with comparative totals for 2020)

	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	\$ -	325,475	37,576	140,417	77,257	184,613	40,469	22,827	139,333	13,116	117,888	238,442
Payroll taxes	-	24,932	2,959	10,563	5,750	14,370	3,148	1,678	10,724	1,000	8,894	18,217
Employee benefits	-	91,835	4,008	28,613	16,226	37,474	11,418	3,188	34,220	3,954	23,183	67,738
Building rent	-	44,563	3,394	14,237	7,870	24,600	6,969	2,518	8,240	672	13,854	34,715
Telephone	-	6,630	738	2,123	1,361	3,456	1,320	318	1,245	317	2,188	4,983
Insurance	-	-	-	-	-	-	-	-	821	-	-	-
Travel	-	-	-	226	-	-	-	-	459	116	-	-
Training and development	-	1,147	261	115	20	74	20	12	69	59	51	105
Small equipment purchases	-	8,470	468	3,769	3,886	8,486	3,432	43	40,435	20	10,143	4,223
Office Supplies	-	1,151	84	1,758	200	902	168	75	1,134	42	471	1,220
Postage	-	3,476	231	1,096	537	1,746	471	174	1,584	212	1,043	2,440
Printing	-	618	733	359	108	346	90	36	252	23	165	862
Equipment rental	-	1,878	138	612	349	1,037	287	91	657	82	583	1,437
Subcontracted services	-	3,224	231	1,281	735	1,563	526	251	7,377	567	-	-
Legal and consulting	-	-	-	-	-	-	0	-	0	-	-	-
Audit and accounting fees	-	3,909	296	1,110	544	2,134	544	130	238	624	1,409	2,779
Advertising	-	177	243	-	16	170	16	-	4,784	4	41	112
Dues and subscriptions	-	6,043	1,224	150	44	120	44	26	103	130	1,750	4,325
Client/volunteer expense	-	-	-	-	-	-	-	-	5,483	-	-	-
Meals	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance	-	5,392	498	1,729	679	3,067	1,030	260	3,299	123	2,815	4,942
Storage	-	570	42	201	105	316	85	34	200	198	173	445
Other/miscellaneous	-	4,189	2,945	392	1,759	1,146	668	15	4,592	7	1,848	3,837
Disbursements to subrecipients	10,962,900	-	-	-	-	-	-	-	-	-	-	-
Providers (vendors)	8,836,132	-	-	-	-	-	-	-	-	-	-	-
Home care for the elderly subsidies	409,373	-	-	-	-	-	-	-	-	-	-	-
VA Expenses	2,248,043	-	-	-	-	-	-	-	-	-	-	-
In-kind	-	77,047	12,778	45,592	17,609	21,112	-	-	-	-	-	-
Total before depreciation	22,456,448	610,726	68,847	254,343	135,055	306,732	70,705	31,676	265,249	21,266	186,499	390,822
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	\$ 22,456,448	610,726	68,847	254,343	135,055	306,732	70,705	31,676	265,249	21,266	186,499	390,822

See accompanying notes to financial statements.

Area Agency on Aging of Pasco-Pinellas, Inc.

Statement of Functional Expenses - Continued

Year Ended December 31, 2021

(with comparative totals for 2020)

	Program Services					Supporting Services			2020 Total
	VOCA	American Rescue Plan	Cares Act III E	ADRC No Wrong Door Project	Other Programs	Total Program Services	Management and General	2021 Total Expenses	
Expenses:									
Salaries	116,677	-	46,212	28,798	241,591	1,770,691	754,816	2,525,507	2,262,341
Payroll taxes	8,946	-	3,560	1,705	18,837	135,283	53,207	188,490	167,404
Employee benefits	30,450	-	11,196	4,504	54,126	422,133	150,020	572,153	486,259
Building rent	15,991	-	7,117	1,002	26,314	212,056	60,987	273,043	272,845
Telephone	4,123	-	1,247	137	4,462	34,648	14,355	49,003	47,713
Insurance	-	-	-	-	-	821	27,346	28,167	33,882
Travel	779	-	303	91	327	2,301	617	2,918	9,150
Training and development	-	-	-	4	1,454	3,391	18,044	21,435	10,169
Small equipment purchases	10,421	3,255	19	15	27,357	124,442	93,636	218,078	195,802
Office Supplies	7,682	-	203	29	2,778	17,897	12,279	30,176	22,489
Postage	1,105	-	373	74	1,701	16,263	5,274	21,537	14,935
Printing	250	-	50	11	1,615	5,518	2,702	8,220	7,107
Equipment rental	669	-	252	44	1,032	9,148	3,197	12,345	13,963
Subcontracted services	-	-	81	15,515	64,042	95,393	126,669	222,062	314,704
Legal and consulting	-	-	-	285	-	285	10,137	10,422	12,934
Audit and accounting fees	-	-	762	109	1,915	16,503	9,947	26,450	33,200
Advertising	43	-	54	3	1,537	7,200	1,283	8,483	24,265
Dues and subscriptions	2,060	-	-	9	153	16,181	22,299	38,480	33,324
Client/volunteer expense	693	-	-	79,192	141,741	227,109	-	227,109	179,697
Meals	-	-	-	-	-	-	3,009	3,009	-
Maintenance	1,968	-	540	95	3,883	30,320	41,920	72,240	14,805
Storage	-	-	58	13	311	2,751	2,495	5,246	5,988
Other/miscellaneous	13,390	-	-	6	82,653	117,447	50,969	168,416	176,710
Disbursements to subrecipients	-	-	-	-	-	10,962,900	-	10,962,900	12,767,458
Providers (vendors)	-	-	-	-	-	8,836,132	-	8,836,132	4,778,728
Home care for the elderly subsidies	-	-	-	-	-	409,373	-	409,373	511,331
VA Expenses	-	-	-	-	-	2,248,043	-	2,248,043	2,304,600
In-kind	-	363,980	-	-	-	538,118	150,462	688,580	363,466
Total before depreciation	215,247	367,235	72,027	131,641	677,829	26,262,347	1,615,670	27,878,017	25,065,269
Depreciation	-	-	-	-	-	-	15,127	15,127	11,753
Total expenses	215,247	367,235	72,027	131,641	677,829	26,262,347	1,630,797	27,893,144	25,077,022

See accompanying notes to financial statements.

Area Agency on Aging of Pasco-Pinellas, Inc.

Statement of Cash Flows
 Year Ended December 31, 2021
 (with comparative totals for 2020)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 683,925	<u>616,649</u>
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	15,127	11,753
(Increase) decrease in:		
Prepaid expenses	(4,341)	(37,963)
Due from grantors	998,232	108,759
Increase (decrease) in:		
Accounts payable	(42,099)	51,708
Accrued expenses	43,748	94,449
Due to subrecipients	880,601	(558,818)
Refundable advances	(175)	(224)
Deferred rent	<u>(11,453)</u>	<u>(2,627)</u>
Total adjustments	<u>1,879,640</u>	<u>(332,963)</u>
Net cash flows from operating activities	<u>2,563,565</u>	<u>283,686</u>
Cash flows from investing activities:		
Purchase of furniture and equipment	-	<u>(17,108)</u>
Net cash flows from investing activities	-	<u>(17,108)</u>
Increase in cash and cash equivalents	2,563,565	266,578
Cash and cash equivalents - beginning of year	<u>3,283,118</u>	<u>3,016,540</u>
Cash and cash equivalents - end of year	\$ <u>5,846,683</u>	<u>3,283,118</u>

See accompanying notes to financial statements.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements

December 31, 2021

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

- o *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.
- o *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.
- o *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.
- o *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.
- o *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.
- o *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, 2021

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, 2021

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, 2021.

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, 2021. 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, 2021.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued

December 31, 2021

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 \$8,483 for the year ended December 31, 2021.

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, 2021

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, 2021. 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, 2020, from which the summarized information was derived.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued

December 31, 2021

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, 2021, the Agency had cash and cash equivalents of approximately \$5,739,000 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	(191,832)
Net property and equipment	<u>\$ 11,530</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, 2021, 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, 2021 was \$285,388.

Future minimum lease commitments are due as follows:

2022	\$ 308,365
2023	315,365
2024	317,391
2025	319,417
2026	326,417
Thereafter	361,250

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued

December 31, 2021

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 2021, the Board of Directors approved a contribution of 10% of all eligible employee salaries, which was \$209,123 for the year ended December 31, 2021.

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, 2021:

Pinellas County public access TV	\$ 231,000
Pasco County public access TV	93,600
Ring video doorbell	<u>363,980</u>
Total In-kind contributions	<u>\$ 688,580</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, 2021 the Organization was able to meet this objective.

As of December 31, 2021, the following financial assets could readily be made available within one year of the balance sheet date to meet amounts due to subrecipients and other general expenditures:

Cash and cash equivalents	\$ 5,846,683
Due from grantors	<u>2,327,442</u>
Total financial assets	8,174,125
Less amounts due to subrecipients	<u>(3,971,161)</u>
Net financial assets	<u>\$ 4,202,964</u>

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued

December 31, 2021

Note 10 – COVID-19:

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency due to a new strain of coronavirus (COVID-19) and on March 11, 2020, declared COVID-19 to be a pandemic, requesting every country in the world to take action to help mitigate the spread of the virus. No impact to Agency funding occurred due to the government pandemic relief funds provided to the Agency. 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. The Department of Elder Affairs provided the Agency with emergency funding through the FFCRA, for administration, nutritional services for congregate and home delivered meals. On March 27, 2020, the Coronavirus Aid Relief and Economic Security Act (CARES Act) was enacted. The Agency received additional funding to allocate across the provider network for every service supported by the Agency. In 2021 the Agency continued to utilize COVID-19 dollars to enhance provider services in Pasco and Pinellas Counties to ensure that seniors and adults with disabilities received services to stay healthy, safe and independent.

Though business activities in Florida and the United States have been returning to pre-pandemic operations, there remains uncertainties surrounding control of the virus and the lasting effects of the pandemic on business operations, such as the availability of staffing and supply chain constraints. The Agency is unable to determine if any future effects of the pandemic will impact its operations or financial position.

Note 11 – Subsequent Events:

Subsequent events have been evaluated through **DATE**, 2022, 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, 2021**

FEDERAL AWARDS:	Federal CFDA Number	Contract Grant Number	Expenditures	Transfers to Subrecipients
U.S. Department of Health and Human Services				
Passed through the State of Florida Department of Elder Affairs				
Administration for Community Living				
Special Programs for the Aging -Title III, Part D.1 - Disease Prevention and Health Promotion Services 01/01/21-12/31/21	93.043	EA021	\$ 39,182	\$ 39,182
National Family Caregiver Support -Title III, Part E 01/01/21-12/31/21	93.052	EA021	983,332	751,804
National Family Caregiver Support -Title III, Part E 04/01/20-9/30/21	93.052	ECA020	91,923	11,423
COVID-19 - National Family Caregiver Support - Title III, Part E 07/01/20-06/30/21 (ADRC Cares Act)	93.052	EXC20	121,571	-
Special Programs for the Aging -Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation 01/01/21-12/31/21	93.041	E7020	21,267	-
Administration for Community Living				
Medicare Enrollment Assistance - 9/30/2020-9/29/2021	93.071	EB021	120,190	-
Medicare Enrollment Assistance - 10/01/2021-9/30/2022	93.071	EB022	65,675	-
			185,865	-
Aging Cluster				
Special Programs for the Aging -Title III Admin 01/01/21-12/31/21	93.044-45	EA021	1,063,251	-
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers 01/01/21-12/31/21	93.044	EA021	3,423,924	2,573,246
Special Programs for the Aging - Title III, Part C-I - Nutrition Services 01/01/21-12/31/21	93.045	EA021	997,267	997,267
Special Programs for the Aging - Title III, Part C-II - Nutrition Services 01/01/21-12/31/21	93.045	EA021	2,710,249	2,710,249
Special Programs for the Aging - Title III, Part C - Nutrition Services 02/01/21-09/30/22	93.045	ECV21	1,031,366	1,031,366
Special Programs for the Aging - Title III, Part B - Expanding Access to COVID-19 Vaccines via the Aging Network 02/01/21-09/30/22	93.044	ECV21	81,707	-
<i>Passed through the United State Department of Agriculture</i>				
Nutrition Services Incentive Program 01/01/21-12/31/21	93.053	EA021	353,031	353,031
Total Aging Cluster			9,660,795	7,665,159
Total Administration for Community Living			11,103,935	8,467,568
Low-Income Home Energy Assistance Program				
Low-Income Home Energy Assistance Program 10/01/19-09/30/21	93.568	EP019	103,764	96,338
Low-Income Home Energy Assistance Program 04/01/21-03/31/23		EP021	260,569	237,958
COVID-19 - Low-Income Home Energy Assistance Program 06/01/20-09/30/21		EPC20	148,011	123,967
Total Low-Income Home Energy Assistance Program			512,344	458,263
Centers for Medicare and Medicaid Services				
Medical Assistance Program				
Medical Assistance Program 07/01/20-06/30/23	93.778	EX020	242,035	-
Total Medical Assistance Program			242,035	-
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations Program				
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations 04/01/20-03/31/21	93.779	EN020	114,825	-
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations 04/01/21-03/31/22		EN021	251,700	-
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations 06/01/20-05/31/21		EG020	14,693	-
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations 06/01/21-05/31/22		EG021	31,070	-
Total Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations Program			412,288	-
Total Centers for Medicare and Medicaid Services			654,323	-
Total U.S. Department of Health and Human Services			12,270,602	8,925,831
United States Department of Justice				
Passed through Florida Office of Attorney General				
Crime Victim Assistance Program				
Crime Victim Assistance Program 10/01/20-9/30/21	16.575	VOCA-2020-AAAP-00858	169,472	-
Crime Victim Assistance Program 10/01/21-9/30/22		VOCA-2021-AAAP-00654	44,729	-
Total United States Department of Justice			214,201	-
Total Expenditures of Federal Awards			\$ 12,484,803	\$ 8,925,831

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, 2021

STATE FINANCIAL ASSISTANCE:	State CFSA Number	Contract Grant Number	Expenditures	Transfers to Subrecipients
State of Florida Department of Elder Affairs				
State Matching Resources for Federal Programs	65.010			
Medical Assistance Program 07/01/20-06/30/23		EX020	\$ 242,035	\$ -
Total Medical Assistance Program			<u>242,035</u>	<u>-</u>
Community Care for the Elderly Program	65.010			
Community Care for the Elderly Program 07/01/20-06/30/21		EC020	3,745,962	3,520,398
Community Care for the Elderly Program 07/01/21-06/30/22		EC021	3,434,377	3,241,526
Total Community Care for the Elderly Program			<u>7,180,339</u>	<u>6,761,924</u>
Alzheimer's Respite Services Program	65.004			
Alzheimer's Respite Services 07/01/20-06/30/21		EZ020	1,441,999	1,393,670
Alzheimer's Respite Services 07/01/21-06/30/22		EZ021	1,524,469	1,486,104
Total Alzheimer's Respite Services Program			<u>2,966,468</u>	<u>2,879,774</u>
Local Services Program	65.009			
Local Services Program 07/01/20-06/30/21		EL020	1,158,144	1,059,107
Local Services Program 07/01/21-06/30/22		EL021	7,304	7,304
Total Local Services Program			<u>1,165,448</u>	<u>1,066,411</u>
Home Care for the Elderly Program	65.001			
Home Care for the Elderly Program 07/01/20-06/30/21		EH020	344,168	305,167
Home Care for the Elderly Program 07/01/21-06/30/22		EH021	297,582	258,581
Total Home Care for the Elderly Program			<u>641,750</u>	<u>563,748</u>
Total Expenditures of State Financial Assistance			<u>\$ 12,196,040</u>	<u>\$ 11,271,857</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, 2021

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.



**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, 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 DATE, 2022.

Report on 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.

Report on 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.

Sarasota, Florida
DATE, 2022

DRAFT 6/22/22



**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

Opinion on 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 identified as subject to audit in the OMB *Compliance Supplement* and Chapter 10.650, Rules of the Auditor General, 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, 2021. 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.

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, 2021.

Basis for Opinion on Each Major Federal Program and State Project

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), and Chapter 10.650, Rules of the Auditor General. Our responsibilities under those standards, the Uniform Guidance and Chapter 10.650, Rules of the Auditor General are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Area Agency on Aging of Pasco-Pinellas, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650, Rule of the Auditor General, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Area Agency on Aging of Pasco-Pinellas, Inc.'s compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Area Agency on Aging of Pasco-Pinellas, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Sarasota, Florida
DATE, 2022

DRAFT 6/22/22

Area Agency on Aging of Pasco-Pinellas, Inc.

**Schedule of Findings and Questioned Costs -
Federal Awards and State Financial Assistance
Year Ended December 31, 2021**

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, 2021 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

Aging Cluster:

- | | |
|--|-----------|
| Special Programs for the Aging -Title III Admin 01/01/21-12/31/21 | 93.044-45 |
| Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers 01/01/21-12/31/21 | 93.044 |
| Special Programs for the Aging - Title III, Part C-I - Nutrition Services 01/01/21-12/31/21 | 93.045 |
| Special Programs for the Aging - Title III, Part C-II - Nutrition Services 01/01/21-12/31/21 | 93.045 |
| Special Programs for the Aging - Title III, Part C - Nutrition Services 02/01/21-09/30/22 | 93.045 |
| Special Programs for the Aging - Title III, Part B - Expanding Access to COVID-19 Vaccines via the Aging Network 02/01/21-09/30/22 | 93.044 |
| Nutrition Services Incentive Program | 93.053 |

State Projects

CFSA Number

Department of Elder Affairs

- | | |
|--------------------------------|--------|
| Community Care for the Elderly | 65.010 |
| Local Services Program | 65.009 |

- | | |
|----|--|
| 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, 2021

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