

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

**Financial Statements and
Compliance Reports**

December 31, 2022

DRAFT 5 31 23 V2

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

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, 2022, 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 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 28, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, 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, 2023, 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, 2023

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Area Agency on Aging of Pasco-Pinellas, Inc.

Statement of Financial Position

December 31, 2022

(with comparative totals for 2021)

ASSETS

	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents	\$ 4,442,943	5,846,683
Prepaid expenses	15,365	48,915
Due from grantors	5,385,266	2,327,442
Other current assets	<u>18,375</u>	<u>18,375</u>
Total current assets	<u>9,861,949</u>	<u>8,241,415</u>
Operating lease right-to-use asset	1,691,548	-
Furniture and equipment, net	<u>89,955</u>	<u>11,530</u>
Total assets	<u>\$ 11,643,452</u>	<u>8,252,945</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 25,860	59,808
Accrued expenses	246,585	282,567
Deferred revenue	609,516	-
Due to subrecipients	4,333,647	3,971,161
Lease liability, current portion	352,140	-
Liability for amounts held on behalf of others	88,242	-
Refundable advances	<u>-</u>	<u>3,668</u>
Total current liabilities	<u>5,655,990</u>	<u>4,317,204</u>
Lease liability, net of current portion	1,550,628	-
Deferred rent	<u>-</u>	<u>212,428</u>
Total liabilities	<u>7,206,618</u>	<u>4,529,632</u>
Net assets:		
Without donor restrictions	<u>4,436,834</u>	<u>3,723,313</u>
Total net assets	<u>4,436,834</u>	<u>3,723,313</u>
Total liabilities and net assets	<u>\$ 11,643,452</u>	<u>8,252,945</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, 2022
(with comparative totals for 2021)

	<u>2022</u>	<u>2021</u>
Support and revenues		
Public support		
Federal grants	13,816,373	12,347,027
State grants	15,105,406	12,357,374
Local grants	3,558,295	3,001,894
Other revenue	202,922	182,194
In-kind	324,600	688,580
Total support and revenues	<u>33,007,596</u>	<u>28,577,069</u>
Expenses		
Program services:		
DOEA pass through programs	26,697,474	22,456,448
Information and referral	653,154	610,726
Outreach	66,392	68,847
Screening and assessment	280,283	254,343
OAA intake	137,972	135,055
Community Care for the Elderly (CCE) intake	557,132	306,732
Alzheimer's Disease Initiative (ADI) intake	115,109	70,705
Emergency Home Energy Assistance Program (EHEAP)	40,156	31,676
Serving Health Insurance Needs of Elders (SHINE)	291,643	265,249
Title VII Elder Abuse	19,987	21,266
Medicaid specialist	197,411	186,499
Aging and Disability Resource Center	353,795	390,822
Victims of Crime Advocates (VOCA)	158,827	215,247
American Rescue Plan	146,056	367,235
CARES Act - IIIIE	-	72,027
ADRC - No wrong doors project	-	131,641
Other programs	978,517	677,829
Total program services	<u>30,693,908</u>	<u>26,262,347</u>
Supporting services:		
Management and general	<u>1,600,167</u>	<u>1,630,797</u>
Total expenses	<u>32,294,075</u>	<u>27,893,144</u>
Change in net assets	713,521	683,925
Net assets - beginning of year	<u>3,723,313</u>	<u>3,039,388</u>
Net assets - end of year	<u>\$ 4,436,834</u>	<u>3,723,313</u>

See accompanying notes to financial statements.

Area Agency on Aging of Pasco-Pinellas, Inc.

Statement of Functional Expenses
Year Ended December 31, 2022
(with comparative totals for 2021)

	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	\$ -	382,326	32,057	163,008	80,170	332,498	75,548	25,582	177,003	12,113	147,171	226,789
Payroll taxes	-	28,800	2,269	12,039	5,911	25,054	5,608	1,773	13,112	854	10,993	16,980
Employee benefits	-	96,382	8,941	37,954	20,727	67,429	19,285	7,709	42,109	3,639	18,706	64,137
Building rent	-	40,452	2,446	18,528	9,034	27,385	7,651	3,030	16,500	1,331	12,421	25,022
Telephone	-	7,333	626	3,762	1,713	5,187	1,649	332	2,389	211	1,895	3,224
Insurance	-	-	-	-	-	-	-	-	880	-	-	-
Travel	-	1,729	1,243	345	-	471	-	-	3,433	129	-	-
Training and development	-	1,556	3	1,865	400	745	83	31	1,571	654	132	386
Equipment purchases / capital offset	-	13,054	2,310	1,860	2	16,344	339	99	2,173	55	538	987
Office supplies	-	885	1,217	391	188	985	315	63	1,003	29	384	945
Postage	-	2,707	170	1,092	662	2,116	508	168	2,198	88	887	1,444
Printing	-	542	645	204	127	365	97	35	760	14	175	325
Equipment lease	-	-	-	-	-	-	-	-	-	-	-	-
Subcontracted services	-	6,714	416	3,274	1,735	6,065	1,532	449	8,822	517	-	-
Legal and consulting	-	-	-	-	-	-	-	-	-	-	-	1,755
Audit and accounting fees	-	2,620	42	1,359	537	1,639	451	252	975	90	-	1,295
Advertising	-	1,785	1,733	122	-	261	146	-	3,535	-	-	1,348
Dues and subscriptions	-	1,642	-	-	408	-	-	-	0	-	1,714	3,429
Client/volunteer expense	-	-	-	-	-	-	-	-	7,997	-	-	-
Meals	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance	-	4,381	199	1,943	1,005	3,560	773	183	2,013	143	1,256	2,520
Storage	-	582	30	234	131	442	110	38	241	18	195	341
Technology	-	712	1,195	2,166	1,383	6,177	981	396	4,856	99	933	2,842
Other/miscellaneous	-	160	13	59	41	148	33	16	73	3	11	26
Disbursements to providers	12,239,070	-	-	-	-	-	-	-	-	-	-	-
Disbursements to vendors	11,081,623	-	-	-	-	-	-	-	-	-	-	-
Home care for the elderly subsidies	469,766	-	-	-	-	-	-	-	-	-	-	-
VA Expenses	2,907,015	-	-	-	-	-	-	-	-	-	-	-
In-kind	-	58,792	10,837	30,078	13,798	60,261	-	-	-	-	-	-
Total before depreciation	26,697,474	653,154	66,392	280,283	137,972	557,132	115,109	40,156	291,643	19,987	197,411	353,795
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	\$ 26,697,474	653,154	66,392	280,283	137,972	557,132	115,109	40,156	291,643	19,987	197,411	353,795

See accompanying notes to financial statements.

Area Agency on Aging of Pasco-Pinellas, Inc.

Statement of Functional Expenses - Continued
Year Ended December 31, 2022
(with comparative totals for 2021)

	Program Services			Supporting Services		
	VOCA	American Rescue Plan	Other Programs	Total Program Services	Management and General	2022 Total Expenses
Expenses:						2021 Total
Salaries	92,213	100,669	515,990	2,363,137	709,827	3,072,964
Payroll taxes	6,875	7,452	38,680	176,400	54,147	230,547
Employee benefits	17,508	23,391	127,278	555,195	180,597	735,792
Building rent	11,201	6,556	50,677	232,234	75,350	307,584
Telephone	2,459	974	12,976	44,730	19,946	64,676
Insurance	-	-	-	880	39,321	40,201
Travel	1,855	-	5,892	15,097	11,855	26,952
Training and development	1,386	14	3,832	12,658	24,312	36,970
Small equipment purchases	1,215	1	13,428	52,405	72,985	125,390
Office Supplies	5,084	147	1,752	13,388	9,767	23,155
Postage	716	476	3,854	17,086	5,427	22,513
Printing	1,505	17	10,198	15,009	4,222	19,231
Equipment rental	-	284	-	284	-	284
Subcontracted services	-	1,657	24,333	55,514	45,250	100,764
Legal and consulting	-	-	293	2,048	22,568	24,616
Audit and accounting fees	-	182	-	9,442	27,693	37,135
Advertising	-	-	8,528	17,458	4,151	21,609
Dues and subscriptions	2,122	-	-	9,315	26,523	35,838
Client/volunteer expense	4,840	-	125,315	138,152	-	138,152
Meals	-	-	-	-	2,390	2,390
Maintenance	1,405	184	6,805	26,370	15,672	42,042
Storage	38	106	746	3,252	1,421	4,673
Technology	106	3,941	11,306	37,093	57,295	94,388
Other/miscellaneous	8,299	5	8,047	16,934	5,749	22,683
Disbursements to providers	-	-	-	12,239,070	-	12,239,070
Disbursements to vendors	-	-	-	11,081,623	-	11,081,623
Home care for the elderly subsidies	-	-	-	469,766	-	469,766
VA Expenses	-	-	-	2,907,015	-	2,907,015
In-kind	-	-	8,587	182,353	142,247	324,600
Total before depreciation	158,827	146,056	978,517	30,693,908	1,558,715	32,252,623
Depreciation	-	-	-	-	41,452	41,452
Total expenses	158,827	146,056	978,517	30,693,908	1,600,167	32,294,075

See accompanying notes to financial statements.

Area Agency on Aging of Pasco-Pinellas, Inc.

Statement of Cash Flows
Year Ended December 31, 2022
(with comparative totals for 2021)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ 713,521	683,925
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	41,452	15,127
(Increase) decrease in:		
Prepaid expenses	33,550	(4,341)
Due from grantors	(3,057,824)	998,232
Operating lease right-to-use asset	(36,678)	-
Increase (decrease) in:		
Accounts payable	(33,948)	(42,099)
Accrued expenses	(35,982)	43,748
Deferred revenue	609,516	-
Due to subrecipients	362,486	880,601
Liability for amounts held on behalf of others	88,242	-
Refundable advances	(3,668)	(175)
Lease liability	35,470	-
Deferred rent	-	(11,453)
Total adjustments	<u>(1,997,384)</u>	<u>1,879,640</u>
Net cash flows from operating activities	<u>(1,283,863)</u>	<u>2,563,565</u>
Cash flows from investing activities:		
Purchase of furniture and equipment	<u>(119,877)</u>	-
Net cash flows from investing activities	<u>(119,877)</u>	-
Increase in cash and cash equivalents	(1,403,740)	2,563,565
Cash and cash equivalents - beginning of year	<u>5,846,683</u>	<u>3,283,118</u>
Cash and cash equivalents - end of year	<u>\$ 4,442,943</u>	<u>5,846,683</u>
Supplemental cash flow information:		
Operating lease right-to-use asset acquired	<u>\$ 306,637</u>	-

See accompanying notes to financial statements.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements

December 31, 2022

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

Organization

The Area Agency on Aging of Pasco-Pinellas, Inc. ("AAAPP" or "Agency") County has been serving the community since 1974. Established as a non-profit in April of 2000, AAAPP has been designated by the State of Florida Department of Elder Affairs (DOEA) as the Area Agency on Aging (AAA) for Planning and Service Area 5, which covers Pasco and Pinellas Counties. AAAPP provides funding from federal and state governmental entities to various service providers, who assist seniors and individuals with disabilities to age in place.

AAAPP serves as the Aging and Disability Resource Center (ADRC) for the two-county area. The ADRC is the initial entry point and coordinating system for all aging and disability social services.

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 aged 60 and older.
- *Community Care for the Elderly (CCE)* - Assists functionally impaired persons aged 60 and older to live dignified and reasonably independent lives in their own homes, or in the homes of relatives or caregivers. The program provides a continuum of care through the development, expansion, reorganization, and coordination of multiple community-based services to assist participants to reside in the least restrictive environment suitable to their needs.
- *Home Care for the Elderly (HCE)* – Supports care for persons aged 60 and older in family-type living arrangements within private homes, as an alternative to institutional or nursing home care.
- *Alzheimer's Disease Initiative (ADI)* – Provides a continuum of services to meet the changing needs of individuals and the families, affected by Alzheimer disease and related disorders.
- *Local Service Program (LSP)* - Provides additional funding to expand long-term care alternatives enabling persons aged 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 (EHEAP)* – Assists low-income households experiencing a home energy emergency, where at least one-person age 60 or older resides.

AAAPP Programs

Information and Referral – Guides individuals to community resources, including government funded programs, non-profit agencies, and for-profit business serving Pinellas and Pasco counties.

Older Americans Act Intake – Provides screening, re-screening and prioritization for the services provided under the Older Americans Act, such as homemaker, chore, adult day care, transportation and nutrition.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued

December 31, 2022

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

Older Americans Act Caregiver Support Programs – 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.

Community Care for the Elderly Intake - Provides screening, re-screening and prioritization for the CCE program personal care, nutrition, adult day care, case management and other services that provide a continuum of in-home supportive services.

Alzheimer's Disease Initiative Intake – Provides screening, re-screening and prioritization for the ADI program such as respite, adult day care, case managed and other services 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) – 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 potential Medicaid eligibility and maintain the APCL for public-funded long-term care programs and services.

Aging and Disability Resource Center (ADRC) – Part of the statewide coordinated system for information and access to services for all residents of Pasco and Pinellas Counties seeking long-term care resources. The ADRC provides information and assistance for state and federal benefits, as well as available local programs and services; screens and rescreens individuals who are seeking assistance from federal and state funded programs in order to remain independent in the community; assists clients who need community based long-term care through the statewide Medicaid managed care long-term care program; and provides long-term care education and assists with Medicaid eligibility for persons 18 or older determined disabled by the Social Security Administration or persons aged 65 or older and enrolled in Medicare PARTS A and B.

Victims of Crime Act (VOCA) – A 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.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued

December 31, 2022

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

American Rescue Plan Act – Federal funds providing additional support for established services under OAA, such as counseling, chore, homemaker, transportation, congregate dining and home delivered meals to persons aged 60 and older. In addition to these services, support for technology use initiatives, pet support and short-term case management are also provided.

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, 2022.

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, 2022. 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, 2022.

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.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued

December 31, 2022

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

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 \$97,000.

Advertising Costs

The Agency charges costs of advertising to operations as incurred. Advertising expenses were approximately \$15,975 for the year ended December 31, 2022.

Donated Services

The Agency receives donated services in the form of video production and airing of programs in its service area. These donated services are recognized as contributions at their estimated fair value on the date of receipt and reported as an expense when utilized. These services are valued using third party estimates using the rates in like circumstances. Donated services are not sold and are used for program purposes only.

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, 2022

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, 2022. 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 Agency. 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.

Recent Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-2, Leases (Topic 842) which required lessees to recognize on the balance sheet the assets and liabilities for the rights and obligations created by leases with terms of more than twelve months. The Agency adopted this standard in 2022 using a modified retrospective approach whereby the new standard was applied to all existing leases as of the effective date without restating comparative prior periods. The effect of this new standard increased total assets and liabilities by approximately \$1,655,000 upon adoption.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued

December 31, 2022

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

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, 2021, from which the summarized information was derived.

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, 2022, the Agency had cash and cash equivalents of approximately \$3,261,000 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	\$ 323,239
Less: accumulated depreciation	(233,284)
Net property and equipment	<u>\$ 89,955</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, 2022, the Agency did not dispose of any furniture and equipment.

Note 5 – Leases:

The Agency adopted ASU 2016-02, Leases in 2022, which resulted in the recognition of operating leases on the balance sheet in 2022 and forward. The Agency determines if a contract contains a lease at inception and recognizes operating lease right-of-use assets and operating lease liabilities based on the present value of future minimum lease payments at the commencement date of the lease. The Agency applied a risk-free rate to its operating leases. Lease expense is recognized on a straight-line basis over the lease term.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued

December 31, 2022

Note 5 – Leases - continued:

The Agency leases office space in St. Petersburg, Florida. Terms of the lease call for monthly payments through January 2028. Monthly payments are currently \$30,139 but are subject to annual increases. The Agency also leases office equipment under two leases that expire in 2024 and 2025. Terms of these leases call for monthly payments of \$1,159. Total lease expense for the year ended December 31, 2022 was \$307,582.

Minimum future payments by year are as follows:

2023	\$ 384,286
2024	390,260
2025	389,624
2026	394,818
2027	403,305
Thereafter	<u>33,668</u>
Total lease payments	1,995,961
Less: imputed interest	<u>(233,284)</u>
Present value of lease liabilities	1,902,768
Less – current portion	<u>(352,140)</u>
Lease liabilities, net of current portion	<u>\$ 1,550,628</u>

Note 6 – Employee Benefit Plan:

The Agency has established a 401(k) profit-sharing plan which covers all full-time employees who are eligible 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 2022, the Board of Directors approved a contribution of 10% of all eligible employee salaries, which was \$239,987 for the year ended December 31, 2022.

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, 2022:

Pinellas County public access TV	\$ 231,000
Pasco County public access TV	<u>93,600</u>
Total In-kind contributions	<u>\$ 324,600</u>

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued

December 31, 2022

Note 9 – Liquidity:

The Agency 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 Agency and subrecipients. Requests for reimbursement are prepared monthly by the Agency and submitted to the grantor agencies. Likewise, subrecipients provide monthly requests for reimbursement to the Agency. The Agency's contracts and agreements specifically state that subrecipients will not be reimbursed for services until the Agency receives payment from the grantor. As a result, the focus of the Agency's liquidity management is to have sufficient cash available to pay subrecipients on a timely basis. During the year ended December 31, 2022 the Agency was able to meet this objective.

As of December 31, 2022, 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	\$ 4,442,943
Due from grantors	<u>5,385,266</u>
Total financial assets	9,828,209
Less amounts due to subrecipients	<u>(4,333,647)</u>
Net financial assets	<u>\$ 5,494,562</u>

Note 10 – Subsequent Events:

Subsequent events have been evaluated through DATE, 2023, 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, 2022

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				
Special Programs for the Aging -Title III, Part D I - Disease Prevention and Health Promotion Services 01/01/22-12/31/22	93.043	EA022	\$ 65,253	45,591
Total Special Programs for the Aging - Title III, Part D			<u>65,253</u>	<u>45,591</u>
National Family Caregiver Support -Title III, Part E 01/01/22-12/31/22	93.052	EA022	1,200,437	944,808
National Family Caregiver Support -Title III, Part E 04/01/20-09/30/22	93.052	ECA20	30,415	30,415
Special Programs for the Aging -Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	E7022	21,267	-
Administration for Community Living				
Medicare Enrollment Assistance 10/01/2021-9/30/2022	93.071	EB022	133,877	-
Medicare Enrollment Assistance 10/01/2022-9/30/2023	93.071	EB023	67,359	-
			<u>201,236</u>	<u>-</u>
Aging Cluster				
Special Programs for the Aging -Title III Admin 01/01/22-12/31/22	93.044-45	EA022	985,723	-
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers 01/01/22-12/31/22	93.044	EA022	3,706,791	2,703,075
Special Programs for the Aging - Title III, Part C-I - Nutrition Services 01/01/22-12/31/22	93.045	EA022	764,990	764,990
Special Programs for the Aging - Title III, Part C-II - Nutrition Services 01/01/22-12/31/22	93.045	EA022	2,870,801	2,870,801
Special Programs for the Aging - Title III, Part CII - Nutrition Services 02/01/21-06/30/23	93.045	ECV21	225,247	-
Special Programs for the Aging -ARP Title III Admin 09/01/2021-09/30/2024	93.044-45	ERP21	116,696	-
Special Programs for the Aging - ARP Title III, Part B - Supportive Services and Senior Centers 09/01/2021-09/30/2024	93.044	ERP21	487,739	425,904
Special Programs for the Aging - ARP Title III, Part C-I - Nutrition Services 09/01/21-09/30/24	93.045	ERP21	128,523	128,523
Special Programs for the Aging - ARP Title III, Part C-II - Nutrition Services 09/01/21-09/30/24	93.045	ERP21	990,396	990,396
Passed through the United State Department of Agriculture				
Nutrition Services Incentive Program 01/01/22-12/31/22	93.053	EA022	352,923	352,923
Total Aging Cluster			<u>10,629,829</u>	<u>8,236,612</u>
Total Administration for Community Living			<u>12,148,437</u>	<u>9,257,426</u>
Low-Income Home Energy Assistance Program				
Low-Income Home Energy Assistance Program 04/01/21-03/31/23	93.568	EP021	444,372	404,164
Low-Income Home Energy Assistance Program 11/01/21-03/31/23	93.568	EPP21	352,310	319,636
Total Low-Income Home Energy Assistance Program			<u>796,682</u>	<u>723,800</u>
Centers for Medicare and Medicaid Services				
Medical Assistance Program				
Medical Assistance Program 7/01/20-6/30/23	93.778	EX020	277,475	-
Total Medical Assistance Program			<u>277,475</u>	<u>-</u>
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations Program				
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations 04/01/21-03/31/22	93.779	EN021	83,900	-
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations 04/01/22-03/31/23	93.779	EN022	251,700	-
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations 06/01/21-05/31/22	9.0148	EG021	14,693	-
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations 06/01/22-05/31/23	9.0148	EG022	33,793	-
Total Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations Program			<u>384,085</u>	<u>-</u>
Total Centers for Medicare and Medicaid Services			<u>661,560</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>13,606,679</u>	<u>9,981,226</u>
United States Department of Justice				
Passed through Florida Office of Attorney General Crime Victim Assistance Program				
Crime Victim Assistance Program 10/01/21-09/30/22	16.575	VOCA-2021-	157,081	-
Total United States Department of Justice			<u>157,081</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 13,763,760</u>	<u>9,981,226</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, 2022

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	\$ 277,475	\$ -
Total Medical Assistance Program			<u>277,475</u>	<u>-</u>
Community Care for the Elderly Program	65.010			
Community Care for the Elderly Program 07/01/21-06/30/22		EC021	4,104,014	3,791,938
Community Care for the Elderly Program 07/01/22-06/30/23		EC022	4,960,181	4,627,906
Total Community Care for the Elderly Program			<u>9,064,195</u>	<u>8,419,844</u>
Alzheimer's Respite Services Program	65.004			
Alzheimer's Respite Services 07/01/22-06/30/23		EZ021	1,582,389	1,524,792
Alzheimer's Respite Services 07/01/21-06/30/22		EZ022	2,035,160	1,919,583
Total Alzheimer's Respite Services Program			<u>3,617,549</u>	<u>3,444,375</u>
Local Services Program	65.009			
Local Services Program 07/01/22-06/30/23		EL021	1,144,267	1,016,530
Local Services Program 07/01/21-06/30/22		EL022	72,135	72,135
Total Local Services Program			<u>1,216,402</u>	<u>1,088,665</u>
Home Care for the Elderly Program	65.001			
Home Care for the Elderly Program 07/01/22-06/30/23		EH021	376,166	337,165
Home Care for the Elderly Program 07/01/21-06/30/22		EH022	393,513	354,512
Total Home Care for the Elderly Program			<u>769,679</u>	<u>691,677</u>
Total Expenditures of State Financial Assistance			<u>\$ 14,945,300</u>	<u>\$ 13,644,561</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, 2022

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, 2022, 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, 2023.

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, 2023

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**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, 2022. 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, 2022.

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, 2023

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Area Agency on Aging of Pasco-Pinellas, Inc.

**Schedule of Findings and Questioned Costs -
Federal Awards and State Financial Assistance
Year Ended December 31, 2022**

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, 2022 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	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 - Nutrition Services	93.045
Nutrition Services Incentive Program	93.053

Low-Income Home Energy Assistance Program	93.568
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National Family Caregiver Support	93.052
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State Projects

CFSA Number

Department of Elder Affairs

Community Care for the Elderly	65.010
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Alzheimer's Respite Services	65.004
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Home Care for the Elderly	65.001
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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, 2022**

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