

**CLAY COUNTY COUNCIL ON AGING, INC.  
(A NONPROFIT CORPORATION)  
DBA COUNCIL ON AGING OF CLAY COUNTY**

**FINANCIAL STATEMENTS**

**Years Ended December 31, 2013 and 2012**

**CLAY COUNTY COUNCIL ON AGING, INC.  
DBA COUNCIL ON AGING OF CLAY COUNTY**

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165 Wells Road, Suite 405  
Orange Park, FL 32073  
Phone: (904) 773-0180  
Fax: (904) 773-0185  
www.magerscpa.com

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Clay County Council on Aging, Inc.

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

We have audited the accompanying financial statements of Clay County Council on Aging, Inc. (a nonprofit organization) as of December 31, 2013 and 2012 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with accounting principles generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

To the Board of Directors of  
Clay County Council on Aging, Inc.  
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Clay County Council on Aging, Inc. as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.650 Rules of the Auditor General is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

To the Board of Directors of  
Clay County Council on Aging, Inc.  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2014, on our consideration of Clay County Council on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clay County Council on Aging, Inc.'s internal control over financial reporting and compliance.



Magers & Associates, LLC  
Orange Park, FL  
May 27, 2014

**CLAY COUNTY COUNCIL ON AGING, INC.  
DBA COUNCIL ON AGING OF CLAY COUNTY  
STATEMENTS OF FINANCIAL POSITION  
December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 475,207	\$ 404,375
Investments, at fair market value	117,766	116,595
Accounts, contracts and grants receivable	443,983	392,399
Other assets	-	8,839
Property and equipment, net of accumulated depreciation	<u>3,148,475</u>	<u>3,536,468</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 4,185,431</u></u>	<u><u>\$ 4,458,676</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$ 187,218	\$ 74,622
Accrued payroll expenses	13,119	6,104
Other accrued expenses	7,806	7,461
Accrued compensated absences	<u>42,981</u>	<u>42,340</u>
<b>TOTAL LIABILITIES</b>	<u>251,124</u>	<u>130,527</u>
<b>NET ASSETS</b>		
Unrestricted net assets:		
Operating	511,906	614,719
Investment in capital assets	3,148,475	3,536,468
Designated by the board for:		
Building fund	79,352	756
Transportation	14,405	-
ElderSource Contract	<u>166,346</u>	<u>171,610</u>
Total unrestricted net assets	3,920,484	4,323,553
Temporarily restricted net assets	<u>13,823</u>	<u>4,596</u>
<b>TOTAL NET ASSETS</b>	<u><u>3,934,307</u></u>	<u><u>4,328,149</u></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 4,185,431</u></u>	<u><u>\$ 4,458,676</u></u>

See accompanying notes to the financial statements.

**CLAY COUNTY COUNCIL ON AGING, INC.  
DBA COUNCIL ON AGING OF CLAY COUNTY  
STATEMENTS OF ACTIVITIES  
For the Years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>UNRESTRICTED NET ASSETS</b>		
Public support:		
Direct contributions	\$ 33,594	\$ 65,115
In kind contributions	390,227	431,494
Total Public Support	<u>423,821</u>	<u>496,609</u>
Revenues:		
Medicaid/Medicare	968,090	1,000,027
Project income	212,910	155,968
Interest on cash investments	6,437	4,477
Gain/Loss on disposal of fixed assets	(19,713)	(53,600)
Other	95,920	141,991
Total Revenues	<u>1,263,644</u>	<u>1,248,863</u>
Net assets released from restrictions:		
Restrictions satisfied by payments	<u>2,222,132</u>	<u>3,553,392</u>
Total Public Support, Revenues, and Other Support	<u>3,909,597</u>	<u>5,298,864</u>
Expenses		
Program services	3,802,114	3,734,540
Fund raising	-	14,846
Supporting services	510,552	505,522
Total Expenses	<u>4,312,666</u>	<u>4,254,908</u>
<b>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</b>	<u>(403,069)</u>	<u>1,043,956</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Northeast Florida Area Agency on Aging, Inc.	738,255	840,447
Department of Children and Families	3,705	3,015
Department of Transportation	272,142	992,702
Transportation Disadvantaged Commission	329,063	275,018
Capital Campaign	30,408	534,918
Jacksonville Transportation Authority	206,186	203,706
Clay County Board of Commissioners	651,600	651,600
Total Temporarily Restricted Net Assets	<u>2,231,359</u>	<u>3,501,406</u>
Net assets released from restrictions:		
Restrictions satisfied by payments	<u>(2,222,132)</u>	<u>(3,553,392)</u>
<b>INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS</b>	<u>9,227</u>	<u>(51,986)</u>
<b>CHANGE IN NET ASSETS</b>	<u>(393,842)</u>	<u>991,970</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>4,328,149</u>	<u>3,336,179</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 3,934,307</u>	<u>\$ 4,328,149</u>

See accompanying notes to the financial statements.

**CLAY COUNTY COUNCIL ON AGING, INC.  
DBA COUNCIL ON AGING OF CLAY COUNTY**

**STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in net assets	\$ (393,842)	\$ 991,970
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	423,894	347,480
Loss on Disposal	30,780	57,085
(Increase) decrease in operating assets:		
Accounts, contracts and grants receivable	(51,584)	68,755
Other assets	8,839	20,495
Increase (decrease) in operating liabilities:		
Accounts payable	112,596	4,360
Accrued payroll expenses	7,015	(58,598)
Other accrued expenses	345	815
Accrued compensated absences	641	2,383
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>138,684</u>	<u>1,434,744</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
County refund of building investment	85,878	-
Short term investments, net	(1,171)	108,880
Payments for property and equipment	(152,559)	(1,976,765)
<b>NET CASH (USED) BY INVESTING ACTIVITIES</b>	<u>(67,852)</u>	<u>(1,867,885)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT</b>	70,832	(433,140)
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<u>404,375</u>	<u>837,515</u>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<u>\$ 475,207</u>	<u>\$ 404,375</u>

See accompanying notes to the financial statements.



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**CLAY COUNTY COUNCIL ON AGING, INC.**  
**DBA COUNCIL ON AGING OF CLAY COUNTY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2013

Program Services

	<u>C-1</u>	<u>C-2</u>	<u>III-B</u>	<u>III-E</u>	<u>CCE</u>	<u>Emergency Alert</u>	<u>RELIEF</u>	<u>Trans- portation</u>	<u>Com- modities</u>
<b>PERSONNEL EXPENSES:</b>									
Salaries	\$ 93,143	\$ 37,208	\$ 77,871	\$ 11,102	\$ 107,933	\$ 2,086	\$ -	\$ 826,005	\$ 13,303
Payroll taxes	6,853	2,487	5,076	1,323	10,766	40	-	67,209	1,183
Fringe benefits	3,006	1,126	857	41	7,333	-	-	20,933	120
Pension plan	2,100	1,046	1,119	328	3,611	-	-	18,137	243
Workers' compensation ins.	683	670	1,773	1,657	-	-	-	36,892	154
<b>TOTAL PERSONNEL EXPENSES</b>	<b>105,786</b>	<b>42,537</b>	<b>86,697</b>	<b>14,451</b>	<b>129,643</b>	<b>2,126</b>	<b>-</b>	<b>969,176</b>	<b>15,003</b>
<b>OPERATING EXPENSES:</b>									
Building occupancy	3,643	422	2,512	767	1,448	-	-	4,894	326
Food expense	98,898	116,142	-	-	-	-	-	-	-
Insurance	950	564	996	114	1,144	-	-	3,876	-
Operating supplies	3,458	1,129	1,160	1,387	16,678	-	-	11,047	237
Professional services	2,530	1,140	2,722	243	3,388	-	-	30,980	1,243
Rent	62,424	12,230	27,623	1,915	16,723	-	-	78,881	2,685
Repairs and maintenance	1,459	921	746	315	1,169	-	-	8,016	317
Subcontract services	45	30	-	-	3,234	-	-	58,737	-
Telephone	873	155	759	226	310	-	-	8,998	1
Travel	835	5,372	7,380	1,029	14,690	337	4,562	2,133	803
Utilities	22,318	5,427	23,301	-	5,675	-	-	43,415	-
Vehicle	-	-	-	-	-	-	-	631,503	-
Other	751	210	4,626	381	63,072	6,493	5,384	17,928	605
<b>TOTAL OPERATING EXPENSES</b>	<b>198,183</b>	<b>143,742</b>	<b>71,824</b>	<b>6,376</b>	<b>127,532</b>	<b>6,830</b>	<b>9,945</b>	<b>900,408</b>	<b>6,217</b>
<b>OTHER EXPENSES:</b>									
Depreciation	10,636	10,636	10,636	-	10,636	-	-	370,716	-
<b>TOTAL EXPENSES</b>	<b>\$ 314,605</b>	<b>\$ 196,914</b>	<b>\$ 169,157</b>	<b>\$ 20,827</b>	<b>\$ 267,811</b>	<b>\$ 8,956</b>	<b>\$ 9,945</b>	<b>\$ 2,240,301</b>	<b>\$ 21,220</b>

See accompanying notes to financial statements.

							Supporting Services		
ADI									
LI/OAA	Health	Adult Day Care	Medicaid Waiver	ALW	Program Total	General/ Admin.	TOTAL		
\$ 6,677	\$ -	\$ 95,706	\$ 173,136	\$ 8,533	\$ 1,452,705	\$ 216,303	\$ 1,669,008		
168	-	8,183	15,067	1,160	119,514	17,795	137,309		
-	-	1,538	7,959	-	42,914	6,390	49,304		
-	-	2,933	5,704	-	35,222	5,244	40,466		
-	-	<u>2,350</u>	<u>3,983</u>	-	<u>48,163</u>	<u>9,474</u>	<u>57,637</u>		
<u>6,845</u>	<u>-</u>	<u>110,710</u>	<u>205,849</u>	<u>9,694</u>	<u>1,698,517</u>	<u>255,207</u>	<u>1,953,724</u>		
-	-	1,534	1,664	-	17,209	29,955	47,163		
-	-	1,974	-	-	217,014	-	217,014		
-	-	2,035	845	-	10,524	9,314	19,838		
-	-	9,500	1,525	-	46,120	23,589	69,709		
-	-	3,858	4,316	-	50,420	545	50,965		
-	-	21,721	32,940	-	257,142	54,000	311,142		
-	-	1,415	1,417	-	15,776	9,980	25,756		
-	-	-	-	-	62,046	-	62,046		
-	-	170	412	-	11,902	7,609	19,511		
280	-	277	42,750	549	80,997	4,503	85,500		
-	-	4,746	5,675	-	110,557	7,308	117,865		
-	-	-	-	-	631,503	-	631,503		
-	<u>27,814</u>	<u>7,100</u>	<u>34,131</u>	<u>-</u>	<u>168,493</u>	<u>108,542</u>	<u>277,035</u>		
<u>280</u>	<u>27,814</u>	<u>54,329</u>	<u>125,674</u>	<u>549</u>	<u>1,679,703</u>	<u>255,345</u>	<u>1,935,048</u>		
-	-	5,318	3,722	1,595	423,894	-	423,894		
<u>\$ 7,124</u>	<u>\$ 27,814</u>	<u>\$ 170,356</u>	<u>\$ 335,246</u>	<u>\$ 11,838</u>	<u>\$ 3,802,114</u>	<u>\$ 510,552</u>	<u>\$ 4,312,666</u>		

See accompanying notes to financial statements.

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**CLAY COUNTY COUNCIL ON AGING, INC.**  
**DBA COUNCIL ON AGING OF CLAY COUNTY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2012

	Program Services								
	C-1	C-2	III-B	III-E	CCE	Emergency Alert	RELIEF	Trans- portation	Com- modities
<b>PERSONNEL EXPENSES:</b>									
Salaries	\$ 84,285	\$ 34,725	\$ 75,467	\$ 11,079	\$ 125,630	\$ 503	\$ -	\$ 805,009	\$ 12,130
Payroll taxes	6,949	2,458	5,727	1,057	12,394	12	-	68,702	1,143
Fringe benefits	5,202	1,830	929	14	8,202	-	-	30,584	114
Pension plan	2,054	1,138	1,253	457	4,209	-	-	21,698	286
Workers' compensation ins.	620	607	1,606	-	1,502	-	-	33,527	139
<b>TOTAL PERSONNEL EXPENSES</b>	<u>99,110</u>	<u>40,758</u>	<u>84,982</u>	<u>12,607</u>	<u>151,937</u>	<u>515</u>	<u>-</u>	<u>959,520</u>	<u>13,812</u>
<b>OPERATING EXPENSES:</b>									
Building occupancy	2,667	310	2,410	561	1,398	-	-	3,615	240
Food expense	88,879	133,289	-	-	-	-	-	-	-
Insurance	773	441	829	107	903	-	-	3,613	-
Operating supplies	4,632	1,624	2,412	3,170	9,563	-	-	11,741	293
Professional services	2,071	1,000	2,171	279	2,819	-	-	19,757	715
Purchased client services	-	-	-	-	-	-	-	-	-
Rent	70,102	13,734	39,977	2,986	18,779	-	-	88,583	3,015
Repairs and maintenance	969	612	496	209	776	-	-	5,323	211
Subcontract services	255	170	-	-	3,130	-	-	89,611	-
Telephone	925	163	714	209	271	-	-	12,376	1
Travel	1,115	7,975	10,854	1,668	23,542	85	6,684	1,764	504
Utilities	20,855	4,802	21,163	10	3,487	-	-	34,340	3
Vehicle	-	-	-	-	-	-	-	622,394	-
Other	405	245	6,770	375	52,817	4,578	6,638	15,800	1,050
<b>TOTAL OPERATING EXPENSES</b>	<u>193,648</u>	<u>164,365</u>	<u>87,796</u>	<u>9,574</u>	<u>117,485</u>	<u>4,663</u>	<u>13,322</u>	<u>908,917</u>	<u>6,032</u>
<b>OTHER EXPENSES:</b>									
Depreciation	8,107	8,107	8,107	-	8,107	-	-	306,945	-
<b>TOTAL EXPENSES</b>	<u>\$ 300,865</u>	<u>\$ 213,230</u>	<u>\$ 180,885</u>	<u>\$ 22,181</u>	<u>\$ 277,529</u>	<u>\$ 5,178</u>	<u>\$ 13,322</u>	<u>\$ 2,175,382</u>	<u>\$ 19,844</u>

See accompanying notes to financial statements.

Supporting  
Services

ADI						Supporting Services		
LI/OAA	Health	Adult Day Care	Medicaid Waiver	ALW	Program Total	Fundraising	General/ Admin.	TOTAL
\$ 2,370	\$ -	\$ 88,351	\$ 166,118	\$ 7,536	\$ 1,413,203	\$ -	\$ 210,422	\$ 1,623,625
169	-	8,032	15,224	702	122,569	-	18,859	141,428
-	-	2,294	9,190	-	58,359	-	8,689	67,048
-	-	2,061	6,968	-	40,124	-	5,975	46,099
-	-	<u>2,130</u>	<u>3,610</u>	-	<u>43,741</u>	-	<u>7,628</u>	<u>51,369</u>
<u>2,539</u>	-	<u>102,868</u>	<u>201,110</u>	<u>8,238</u>	<u>1,677,996</u>	-	<u>251,572</u>	<u>1,929,568</u>
-	-	1,145	1,235	-	13,581	-	22,129	35,710
-	-	1,717	-	-	223,885	-	-	223,885
-	-	1,897	787	-	9,350	-	8,274	17,624
-	-	1,159	1,537	-	36,131	-	19,807	55,938
-	-	3,101	3,406	-	35,319	-	382	35,701
-	-	-	-	-	-	-	-	-
-	-	24,393	36,992	-	298,561	-	60,300	358,861
-	-	940	941	-	10,477	-	6,627	17,104
-	-	-	-	-	93,166	-	-	93,166
-	-	726	592	-	15,977	-	10,214	26,191
-	-	140	39,770	648	94,749	-	5,222	99,971
-	-	2,960	3,336	-	90,956	-	9,899	100,855
-	-	-	-	-	622,394	-	-	622,394
<u>1,485</u>	<u>32,451</u>	<u>11,748</u>	<u>30,156</u>	-	<u>164,518</u>	<u>14,846</u>	<u>111,097</u>	<u>290,461</u>
<u>1,485</u>	<u>32,451</u>	<u>49,926</u>	<u>118,752</u>	<u>648</u>	<u>1,709,064</u>	<u>14,846</u>	<u>253,950</u>	<u>1,977,860</u>
-	-	4,054	2,837	1,216	347,480	-	-	347,480
<u>\$ 4,024</u>	<u>\$ 32,451</u>	<u>\$ 156,848</u>	<u>\$ 322,699</u>	<u>\$ 10,102</u>	<u>\$ 3,734,540</u>	<u>\$ 14,846</u>	<u>\$ 505,522</u>	<u>\$ 4,254,908</u>

See accompanying notes to financial statements.

**CLAY COUNTY COUNCIL ON AGING, INC.  
DBA COUNCIL ON AGING OF CLAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2013 and 2012

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Clay County Council on Aging, Inc. DBA Council on Aging of Clay County (the "Organization") is a private, nonprofit corporation organized under the laws of the State of Florida that was incorporated in May 1974. The Organization provides supportive and transportation services to the elderly and disadvantaged citizens of Clay County, Florida. Federal and state grants, as well as support from the Clay County Board of County Commissioners, provide the majority of the Council's funding.

**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 and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the organization and changes therein are classified and reported as follows:

**Unrestricted net assets** - Net assets that are not subject to donor-imposed stipulations.

**Temporarily restricted net assets** - Net assets subject to donor imposed stipulations that will be met by actions of the organization and/or the passage of time.

**Permanently restricted net assets** - Net assets subject to donor-imposed stipulations that they be maintained permanently by the organization. Generally, the donor of these assets permits the Organization to use all or part of the income earned on related investments for general or specific purposes. At December 31, 2013 and 2012, there were no permanently restricted net assets.

**Basis of Accounting**

The costs related to the administration of the Organization's programs are summarized in the statements of activities. Personnel and operating expenses, which are associated with a specific program, are charged directly to that program. Personnel and operating expenses that benefit more than one program are allocated to the various programs based on the relative benefit provided. Administrative expenses represent indirect costs of administering these programs and are allocated to the Organization's programs on a cost basis.

**Use of Estimates**

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

**Public Support**

Restricted contributions and grants are reported as unrestricted support when the restrictions are met in the same reporting period. Public support revenues from government grants are recorded based upon the terms of the grantor allotment, which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred or services provided. Such revenues are subject to audit by the grantors and, if the examination results in a deficiency of allowable expenses, the Organization will be required to refund any deficiencies. Management is of the opinion that all monies in the schedules of financial assistance have been earned as of December 31, 2013.

**CLAY COUNTY COUNCIL ON AGING, INC.  
DBA COUNCIL ON AGING OF CLAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2013 and 2012

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The carrying amount reported in the combined statements of financial position for cash and cash equivalents approximates its fair value.

**Investments**

Investments include various Certificates of Deposit that mature one year from issuance. The Certificates of Deposit earn interest at 1% and are valued at \$117,766. These funds are available for unrestricted use.

**Accounts Receivable**

All receivables are determined to be fully collectible. Accordingly, no allowance for doubtful accounts has been provided.

**Property and Equipment**

Property and equipment are recorded at historical cost or, in the case of contributed property and equipment, at fair market value at the date of donation. Depreciation is computed using the straight-line method over the useful lives of the various assets, which range from 5 to 40 years. The Organization commences depreciation in the month of acquisition.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Accrued Compensated Absences**

Accrued compensated absences represent accumulated annual leave. According to the Organization's policies, up to 10 days annual leave can be carried over to the following year for employees with less than 5 years of service. Employees with more than 5 and less than 10 years of service can carry over to the following year a maximum of 15 days. Employees with 10 or more years of service can carry over to the following year a maximum of 20 days. Unused annual leave is payable to the employees upon termination of employment.

**Contributions**

All donations are considered available for unrestricted use unless specifically restricted by the donor.

**Income Taxes**

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986. Accordingly, income taxes have not been provided for in the financial statements.

**Schedule of Financial Assistance**

The significant accounting policies in the preceding paragraphs were also used in preparing the schedule of financial assistance.



**CLAY COUNTY COUNCIL ON AGING, INC.  
DBA COUNCIL ON AGING OF CLAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2013 and 2012

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Reclassification

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Contributed Services

A substantial number of volunteers have donated significant amounts of their time to the Organization and its program for the elderly; however, these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

**NOTE 2 - PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at December 31, 2013 and 2012:

	2013	2012
Vehicles	\$ 2,728,526	\$ 2,796,388
Leasehold improvements	1,599,600	1,669,218
Furniture and equipment	359,036	305,418
	4,687,162	4,771,024
Less: accumulated depreciation	(1,538,687)	(1,234,556)
Total	\$ 3,148,475	\$ 3,536,468

Depreciation expense was \$423,894 and \$347,480 for the years ended December 31, 2013 and 2012, respectively.

Vehicles purchased with funds received from the Florida Commission for the Transportation of the Disadvantaged or Florida Department of Transportation are subject to lien in favor of the Grantor.

**NOTE 3 - DONATED USE OF FACILITIES, SERVICES, AND MATERIALS**

The value of donated use of facilities, services, and materials and the corresponding expenses included in the financial statements for the year are as follows:

	2013	2012
Revenue (contributions)	\$ 390,227	\$ 431,495
Expenses:		
Rent	338,515	369,009
Vehicle repairs and maintenance	51,712	62,485
Total	\$ 390,227	\$ 431,495

The Organization operates four sites in Clay County. These facilities are owned by the County and recorded as donated rent based upon comparable current rent rates in the corresponding area. (Also See Note 7)

**CLAY COUNTY COUNCIL ON AGING, INC.  
DBA COUNCIL ON AGING OF CLAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2013 and 2012

**NOTE 4 - CASH IN EXCESS OF FEDERALLY INSURED LIMITS**

The Organization maintains cash balances in several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC insured) up to \$250,000. The Organization has not experienced any loss in such accounts. At December 31, 2013, no cash balances exceeded \$250,000.

**NOTE 5 - EMPLOYEE BENEFIT PLAN**

During 1998, the Organization adopted a defined contribution plan under Internal Revenue Code section 401(k). Under the plan, the Organization contributes three percent of each eligible employee's gross budgeted wages. Plan expenses incurred by the Organization during 2013 and 2012 were \$40,466 and \$46,100, respectively.

**NOTE 6 - FAIR VALUE MEASUREMENTS**

FASB provisions establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements). Certificates of Deposits (level 1 measurements) make up all investments that are listed at fair value. There have been no changes in the methodologies used at December 31, 2013 and 2012.

**NOTE 7 - LEASE AGREEMENT WITH CLAY COUNTY**

Under an agreement dated June 14, 2011 between the County and the Organization, the County committed funding, not to exceed \$1,985,250 for the construction of a new facility and for the renovation of the existing Green Cove Springs facility. Any additional funding is the responsibility of the Organization. The County granted a 99-year lease for \$1 per year to the Organization for the use of this facility with an option to terminate the lease in the 25th year by either party. The County retains full ownership of the facility. The Organization moved into the new facility in August 2012.

The investment in the facility by the Organization of \$1,559,600 is recorded as Leasehold Improvement and is being depreciated over 40 years.

**NOTE 8 - SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through May 27, 2014, the date which the financial statements were available to be issued.

**CLAY COUNTY COUNCIL ON AGING, INC.  
DBA COUNCIL ON AGING OF CLAY COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
Year Ended December 31, 2013**

Federal/State Agency, Pass-through Entity	CFDA CFSA Number	Contract Number	Expenditures
<b><u>FEDERAL AWARDS</u></b>			
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES - Indirect Programs</b>			
Passed through Northeast Florida Area Agency on Aging, Inc., d/b/a ElderSource			
Aging Cluster:			
Special Programs for the Aging, Title IIIC1 Congregate Meals	93.045	A013C	\$ 133,174
Special Programs for the Aging, Title IIIC2 Home Delivered Meals	93.045	A013C	<u>96,946</u>
Subtotal - CFDA 93.045			230,120
Special Programs for the Aging, Title IIIB Grants for Supportive Services & Senior Centers	93.044	A013C	123,625
Special Programs for the Aging, Nutrition Services Incentive Program	93.053	U012C/U013C	<u>38,824</u>
Subtotal Aging Cluster			392,569 *
Special Programs for the Aging, Title IIIE National Family Caregiver Support	93.052	A013C	33,776
Emergency Home Energy Assistance	93.568	P012C/P013C	<u>35,721</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u><b>462,066</b></u>
<b>DEPARTMENT OF TRANSPORTATION - Indirect Programs</b>			
Passed through State of Florida Department of Transportation			
Federal Transit Capital Investment Grants	20.500	AQL63	20,736
Formula Grants for Other than Urbanized Areas	20.509	AQ545	115,926
Job Access - Reverse Commute	20.516	AQP23	<u>35,272</u>
<b>TOTAL DEPARTMENT OF TRANSPORTATION</b>			<u><b>171,934</b></u>
<b>FEDERAL TRANSIT ADMINISTRATION - Indirect Program</b>			
Passed through Department of Transportation or Jacksonville Transportation Authority (JTA)			
Transit Services Program Cluster:			
Job Access - Reverse Commute (JTA)	20.516	FL-37-X051-00	130,580
New Freedom Program (JTA)	20.521	FL-57-X0-37-02	<u>75,606</u>
<b>TOTAL DEPARTMENT OF TRANSPORTATION AND FEDERAL TRANSIT ADMINISTRATION - Cluster</b>			<u><b>206,186</b></u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><b>\$ 840,186</b></u>

\* Major Program

The accompanying notes are an integral part of this schedule.

**CLAY COUNTY COUNCIL ON AGING, INC.**  
**DBA COUNCIL ON AGING OF CLAY COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**Year Ended December 31, 2013**

Federal/State Agency, Pass-through Entity	CFDA CFSA <u>Number</u>	Contract Number	<u>Expenditures</u>
<b><u>STATE AWARDS</u></b>			
<b>DEPARTMENT OF ELDER AFFAIRS - Indirect Programs</b>			
Passed through Northeast Florida Area Agency on Aging, Inc., d/b/a ElderSource			
Alzheimer's Disease Initiative	65.004	Z012C/Z013C	\$ 43,073
Community Care for the Elderly	65.010	C012C/C013C	208,262
Home Care for the Elderly	65.001	H012C/H013C	5,664
Respite for Elders Living in Everyday Families	65.006	R012C/R013C	<u>17,478</u>
<b>TOTAL DEPARTMENT OF ELDER AFFAIRS</b>			<u><u>274,477</u></u>
 <b>TRANSPORTATION DISADVANTAGED COMMISSIONS</b>			
Trip/Equipment Grant	55.001	AQ028	152,451
Trip/Equipment Grant	55.001	AR159	176,291
Trip/Equipment Grant	55.001	Not Available	<u>75,600</u>
<b>TOTAL TRANSPORTATION DISADVANTAGED COMMISSIONS</b>			<u><u>404,342</u></u>
<b>TOTAL EXPENDITURES OF STATE GRANTS AND AWARDS</b>			<u><u>\$ 678,819</u></u>

The accompanying notes are an integral part of this schedule.

**CLAY COUNTY COUNCIL ON AGING, INC.**  
**DBA COUNCIL ON AGING OF CLAY COUNTY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
December 31, 2013

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal financial awards and state financial assistance activity of Clay County Council on Aging, Inc., is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non Profit Organizations*. Because the schedule presents only a selected portion of the operations of Clay County Council on Aging, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Clay County Council on Aging, Inc. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the accrual basis of accounting.

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

To the Board of Directors of  
Clay County Council on Aging, Inc.

We have audited, 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, the financial statements of Clay County Council on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related notes to the financial statements, and have issued our report thereon dated May 27, 2014.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Clay County Council on Aging, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Clay County Council on Aging, 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.

To the Board of Directors of  
Clay County Council on Aging, Inc.  
Page Two

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Magers & Associates, LLC  
Orange Park, Florida  
May 27, 2014

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER  
10.650, RULES OF THE AUDITOR GENERAL**

To the Board of Directors of  
Clay County Council on Aging, Inc.

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

We have audited Clay County Council on Aging, Inc.'s (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of Clay County Council on Aging, Inc.'s major federal programs and state projects for the year ended December 31, 2013. Clay County Council on Aging, Inc.'s major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Clay County Council on Aging, Inc.'s major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650, rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.650, rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about Clay County Council on Aging, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state projects. However, our audit does not provide a legal determination of Clay County Council on Aging, Inc.'s compliance.



To the Board of Directors of  
Clay County Council on Aging, Inc.  
Page Two

### **Opinion on Each Major Federal Program**

In our opinion, Clay County Council on Aging, 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, 2013.

### **Report on Internal Control Over Compliance**

Management of Clay County Council on Aging, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Clay County Council on Aging, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program or state project and to test and report on internal control over compliance in accordance with OMB Circular A-133, and Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Clay County Council on Aging, Inc.'s internal control over compliance.

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

To the Board of Directors of  
Clay County Council on Aging, Inc.  
Page Three

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



Magers & Associates, LLC  
Orange Park, FL  
May 27, 2014

**CLAY COUNTY COUNCIL ON AGING, INC.  
DBA COUNCIL ON AGING OF CLAY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2013**

**A. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None Reported

Noncompliance material to financial statements noted?	No
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**Federal Awards and State Financial Assistance Projects**

Internal control over major programs:	
Material weakness identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None Reported

Type of auditors' report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with Section 510 (a) of Circular A-133 or Rules of the Auditor General 10.650?	No
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**Identification of major programs:**

<b>Federal Program</b>	<b>CFDA No.</b>
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Pass through program from:	
ElderSource	
Department of Health and Human Services-	
Special Programs for the Aging, Cluster	
Title IIIB, Grants for Supportive Services & Senior Citizens	93.044
Title IIIC, Nutrition Services	93.045
Nutrition Services Incentive Program	93.053

<b>State Projects</b>	<b>CSFA No.</b>
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Pass through program from:	
Department of Transportation-	
Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program	55.001
ElderSource	
Community Care for Elderly	65.010

**CLAY COUNTY COUNCIL ON AGING, INC.  
DBA COUNCIL ON AGING OF CLAY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2013**

Dollar threshold used to distinguish

Federal Programs	\$300,000
State Projects	\$203,646

Auditee qualified as low-risk auditee?	Yes
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Prior findings and questioned costs relative to federal awards which require auditee to prepare a summary schedule of prior audit findings as discussed in Section .315 (b) of OMB A-133 or Chapter 10.650, Rules of the Auditor	None
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<b>B. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS</b>	None
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<b>C. FINDINGS AND QUESTIONED COSTS - MAJOR STATE PROJECTS</b>	None
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**D. OTHER ISSUES**

Management Letter	No
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Summary of Prior Audit Findings	Not required because there were no prior year findings.
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