

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

**Financial Statements and
Compliance Reports**

December 31, 2014

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Area Agency on Aging of Pasco-Pinellas, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Area Agency on Aging of Pasco-Pinellas, Inc. as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Report on Summarized Comparative Information*

The prior year summarized comparative information has been derived from the Organization's December 31, 2013 financial statements audited by another firm and in their report dated May 29, 2014, they expressed an unmodified opinion on those financial statements.

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2015, on our consideration of Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control over financial reporting and compliance.

Sarasota, Florida
June 15, 2015

A handwritten signature in black ink that reads "Cavanaugh Co. LLP". The signature is written in a cursive, flowing style with a large initial "C" and a stylized "P" at the end.

Area Agency on Aging of Pasco-Pinellas, Inc.

Statement of Financial Position

December 31, 2014

	<u>2014</u>	2013 Total (For Comparative Purposes Only)
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 1,114,359	1,061,847
Prepaid expenses	-	43,462
Due from grantors	2,241,888	2,106,339
Other receivables	4,821	4,821
Other current assets	18,375	18,375
Total current assets	<u>3,379,443</u>	<u>3,234,844</u>
Furniture and equipment, net	<u>33,374</u>	<u>23,043</u>
Total assets	<u>\$ 3,412,817</u>	<u>3,257,887</u>

<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 23,010	233,196
Accrued expenses	140,536	132,956
Due to subrecipients	2,017,327	1,824,987
Liability for amounts held on behalf of others	-	98,366
Refundable advances	32,055	32,072
Total current liabilities	<u>2,212,928</u>	<u>2,321,577</u>
Deferred rent	<u>111,770</u>	<u>55,428</u>
Total liabilities	<u>2,324,698</u>	<u>2,377,005</u>
Net assets:		
Unrestricted:		
Undesignated	1,088,119	791,185
Designated	-	89,697
Total net assets	<u>1,088,119</u>	<u>880,882</u>
Total liabilities and net assets	<u>\$ 3,412,817</u>	<u>3,257,887</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, 2014

	<u>2014</u>	<u>2013 Total</u> <u>(For Comparative Purposes Only)</u>
Support and revenues		
Public support		
Federal grants	\$ 8,372,304	8,343,739
State grants	9,109,506	8,935,456
Local grants	279,944	179,584
Other revenue	99,813	73,426
In-kind	511,094	510,041
Total support and revenues	<u>18,372,661</u>	<u>18,042,246</u>
Expenses		
Program services:		
Other DOEA programs	14,050,364	13,769,247
Assessment and referral	344,307	347,566
Screening and assessment	235,899	289,974
OAA intake	151,723	144,725
Community Care for the Elderly (CCE) intake	316,904	295,342
Emergency Home Energy Assistance Program (EHEAP)	33,308	45,188
Serving Health Insurance Needs of Elders (SHINE)	280,903	222,990
Title VII Health and Wellness	23,630	23,868
Medicaid specialist	163,005	160,242
Aging and Disability Resource Center	360,580	400,203
Victims of Crime Advocates (VOCA)	83,285	81,177
Medicare Patrol	400,307	456,603
Other programs	164,800	155,613
Total program services	<u>16,609,015</u>	<u>16,392,738</u>
Supporting services:		
Management and general	<u>1,556,409</u>	<u>1,555,004</u>
Total expenses	<u>18,165,424</u>	<u>17,947,742</u>
Change in net assets	207,237	94,504
Net assets - beginning of year	<u>880,882</u>	<u>786,378</u>
Net assets - end of year	<u>\$ 1,088,119</u>	<u>880,882</u>

See accompanying notes to financial statements.

Area Agency on Aging of Pasco-Pinellas, Inc.

Statement of Functional Expenses
Year Ended December 31, 2014

	Program Services								
	Other DOEA Programs	Assessment and Referral	Screening and Assessment	OAA Intake	CCE Intake	EHEAP	SHINE	Title VII Health and Wellness	Medicaid Specialist
Expenses:									
Salaries	\$ -	204,074	135,101	91,876	181,776	22,643	134,918	12,866	93,314
Payroll taxes	-	15,841	10,442	7,000	14,021	1,735	10,458	1,043	7,398
Employee benefits	-	47,292	31,443	22,103	45,062	4,828	29,231	1,465	18,074
Building rent	-	24,761	13,328	8,658	16,961	2,097	33,585	3,013	13,705
Telephone	-	7,103	4,191	2,077	4,706	620	9,364	1,223	3,738
Insurance	-	2,548	1,234	803	1,952	202	4,605	197	1,099
Travel	-	-	2,254	-	374	50	1,004	265	760
Training/professional development	-	-	-	-	-	-	-	-	-
Equipment purchases under \$1,000	-	2,058	2,388	900	8,270	-	6,901	424	10,064
Office Supplies	-	1,702	1,878	340	1,806	178	3,042	115	2,717
Postage	-	1,541	840	446	2,138	206	3,351	240	3,127
Printing	-	188	114	65	145	45	1,294	10	100
Equipment rental	-	1,782	1,051	605	1,328	147	2,138	116	996
Subcontracted services	-	60	60	-	120	-	7,258	-	60
Legal and consulting	-	-	-	-	57	-	-	-	-
Audit and accounting fees	-	2,692	2,281	1,808	1,533	335	1,734	55	5,721
Advertising	-	414	45	82	14	-	3,589	47	331
Dues and subscriptions	-	200	-	-	-	-	99	-	-
Client/volunteer expense	-	-	-	-	-	-	24,137	-	-
Meals	-	-	-	-	-	-	17	-	-
Maintenance	-	1,188	866	394	1,532	168	1,787	150	1,108
Storage	-	582	283	201	455	54	661	38	618
Other/miscellaneous	-	260	35	-	128	-	1,730	-	75
Disbursements to subrecipients	9,475,942	-	-	-	-	-	-	-	-
Providers (vendors)	4,046,113	-	-	-	-	-	-	-	-
Home care for the elderly subsidies	528,309	-	-	-	-	-	-	-	-
In-kind	-	30,021	28,065	14,365	34,526	-	-	2,363	-
Total before depreciation	14,050,364	344,307	235,899	151,723	316,904	33,308	280,903	23,630	163,005
Depreciation	-	-	-	-	-	-	-	-	-
Total expenses	\$ 14,050,364	344,307	235,899	151,723	316,904	33,308	280,903	23,630	163,005

See accompanying notes to financial statements.

Area Agency on Aging of Pasco-Pinellas, Inc.

Statement of Functional Expenses - Continued
Year Ended December 31, 2014

	Program Services				Total Program Services	Supporting Services	2014 Total Expenses	2013 Total (For Comparative Purposes Only)
	Aging and Disability Resource Center	VOCA	Medicare Patrol	Other Programs		Management and General		
Expenses:								
Salaries	211,488	49,750	151,449	39,880	1,329,135	680,631	2,009,766	1,908,106
Payroll taxes	15,960	4,019	11,504	2,942	102,363	50,461	152,824	145,701
Employee benefits	52,328	4,765	30,388	10,948	297,927	148,442	446,369	428,105
Building rent	26,864	3,831	27,280	4,943	179,026	101,941	280,967	285,030
Telephone	5,793	1,399	6,118	1,104	47,436	18,899	66,335	60,632
Insurance	2,490	61	4,889	467	20,547	7,979	28,526	29,358
Travel	842	2,374	4,103	1,073	13,099	8,088	21,187	17,346
Training/professional development	-	-	948	-	948	1,458	2,406	1,315
Equipment purchases under \$1,000	26,747	4,979	5,486	192	68,409	15,201	83,610	67,298
Office Supplies	6,463	445	10,011	167	28,864	10,340	39,204	32,192
Postage	1,903	423	7,206	432	21,853	3,395	25,248	26,873
Printing	196	46	17,391	35	19,629	1,436	21,065	25,583
Equipment rental	1,889	400	1,924	449	12,825	3,456	16,281	23,460
Subcontracted services	330	2,440	72,849	48,210	131,387	10,212	141,599	263,967
Legal and consulting	-	-	-	80	137	779	916	7,287
Audit and accounting fees	4,766	-	6,408	694	28,027	5,471	33,498	33,099
Advertising	459	-	25,486	-	30,467	1,732	32,199	50,621
Dues and subscriptions	-	-	-	-	299	1,969	2,268	13,154
Client/volunteer expense	-	437	13,815	-	38,389	-	38,389	50,160
Meals	-	-	-	27	44	671	715	216
Maintenance	1,295	67	1,800	249	10,604	6,898	17,502	15,834
Storage	692	-	518	114	4,216	1,162	5,378	20,532
Other/miscellaneous	75	154	734	52,794	55,985	65,138	121,123	146,143
Disbursements to subrecipients	-	-	-	-	9,475,942	-	9,475,942	9,191,960
Providers (vendors)	-	-	-	-	4,046,113	-	4,046,113	4,068,898
Home care for the elderly subsidies	-	-	-	-	528,309	-	528,309	508,389
In-kind	-	7,695	-	-	117,035	394,059	511,094	510,041
Total before depreciation	360,580	83,285	400,307	164,800	16,609,015	1,539,818	18,148,833	17,931,300
Depreciation	-	-	-	-	-	16,591	16,591	16,442
Total expenses	360,580	83,285	400,307	164,800	16,609,015	1,556,409	18,165,424	17,947,742

See accompanying notes to financial statements.

Area Agency on Aging of Pasco-Pinellas, Inc.

Statement of Cash Flows
Year Ended December 31, 2014

	2014	2013 Total (For Comparative Purposes Only)
Cash flows from operating activities:		
Change in net assets	\$ 207,237	94,504
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	16,591	16,442
(Increase) decrease in:		
Prepaid expenses	43,462	23,684
Due from grantors	(135,549)	166,795
Other receivables	-	601
Increase (decrease) in:		
Accounts payable	(210,186)	36,895
Accrued expenses	7,580	(16,338)
Due to subrecipients	192,340	(274,268)
Liability for amounts held on behalf of others	(98,366)	56,808
Refundable advances	(17)	1,625
Deferred rent	56,342	55,428
Total adjustments	(127,803)	67,672
Net cash flows from operating activities	79,434	162,176
Cash flows from investing activities:		
Purchase of furniture and equipment	(26,922)	(14,820)
Net cash flows from investing activities	(26,922)	(14,820)
Increase in cash and cash equivalents	52,512	147,356
Cash and cash equivalents - beginning of year	1,061,847	914,491
Cash and cash equivalents - end of year	\$ 1,114,359	1,061,847

See accompanying notes to financial statements.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements

December 31, 2014

Note 1 – Organization and Summary of Significant Accounting Policies:

Organization

Area Agency on Aging of Pasco-Pinellas, Inc. (the “Agency”) is a not-for-profit organization incorporated under the laws of the state of Florida on April 25, 2000. The Agency administers a network of services for the 60+ population in Pasco and Pinellas counties. The goal of the Agency is to meet the nutritional and social service needs of the aging population in the designated geographical area. All programs of the Agency relate to assisting the elderly. The Agency conducts assessments of the needs of the elderly population, determines resources available to satisfy those needs, and plans and coordinates programs using available resources to alleviate the identified needs. Financial resources for accomplishment of the activities of the Agency are principally in the form of federal and state government grants. The Agency awards contracts to service providers who directly provide the service to the aging population. The Agency also does business as Better Living for Seniors in Pinellas County and as Pasco Aging Network in Pasco County.

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. If donor-imposed restrictions are met in the same period as the gift or investment income is received, the amount is reported as unrestricted revenues. Accordingly, net assets of the Agency 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 that are available for use, but expendable only for those purposes specified by the grantor. There were no temporarily restricted net assets as of December 31, 2014.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Agency. There were no permanently restricted net assets as of December 31, 2014.

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, 2014. 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 subrecipients before December 31, 2014.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued

December 31, 2014

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

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the fair market value at the date of donation. The Agency capitalizes purchases over \$1,000 and depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 5 years.

Liability for Amounts Held on Behalf of Others

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

Refundable Advances

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

Revenue Recognition

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

In-Kind Contributions

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

Many volunteers have contributed significant amounts of time to activities of the Agency without compensation. The financial statements do not reflect the value of those contributed services because they do not meet the above recognition criteria. The estimated fair value of the volunteers is approximately \$73,000.

Advertising Costs

The Agency charges costs of advertising to operations as incurred. Advertising expenses was approximately \$32,199 for the year ended December 31, 2014.

Donated Services

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

Contributions

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued

December 31, 2014

Note 1 – Organization 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, 2014. The Agency's federal income tax returns for 2013, 2012 and 2011 are subject to examination by the Internal Revenue Service, generally for three years after the federal income tax returns were filed.

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 unrestricted support 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 temporarily restricted net assets to unrestricted net assets 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.

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.

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, 2013, from which the summarized information was derived.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued

December 31, 2014

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, 2014, the Agency had cash and cash equivalents of approximately \$1,143,000 which exceeded the insured amounts.

Note 3 – Property and Equipment:

Property and equipment consist of the following:

Furniture and equipment	\$ 212,963
Less: accumulated depreciation	<u>(179,589)</u>
Net property and equipment	<u>\$ 33,374</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, 2014, the Agency did not dispose of any furniture and equipment.

Note 4 – Lease Commitments

The Agency leases office space in St. Petersburg, Florida under a lease accounted for as an operating lease maturing in January 2028. The Agency also leases office equipment under several operating leases, which expire between 2014 and 2015. At the end of the lease terms, these leases are subject to renewal at the discretion of the lessors. Total rent expense for the year ended December 31, 2014 was 297,248.

Future minimum lease commitments are due as follows:

2015	\$ 251,267
2016	261,416
2017	271,417
2018	279,583
2019	287,235
Thereafter	2,498,850

Note 6 – Employee Benefit Plan:

The Agency has established a 401(k) profit-sharing plan which covers all full time employees who complete 6 months of service and choose to participate in the plan. Employees are fully vested after 5 years of service or when the participant has reached retirement age or upon death or disability. Annual contributions of the Agency are voluntary and are made at the discretion of the Board of Directors. For 2014, the Board of Directors approved a contribution of 10% of all eligible employee salaries, which was \$177,319 for the year ended December 31, 2014.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued

December 31, 2014

Note 7 – In-kind Contributions:

The following schedule summarizes the in-kind contributions received for the year ended December 31, 2014:

Pinellas County public access TV	\$ 405,273
Pasco County public access TV	93,600
Advisory council	4,526
Cell phone donations	475
Crime forums space lease	2,280
Facilities space lease	<u>4,940</u>
Total In-kind contributions	<u>\$ 511,094</u>

Note 8 – 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 9 – 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 10 – Subsequent Events:

Subsequent events have been evaluated through June 15, 2015, 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, 2014**

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 I - Disease Prevention and Health Promotion Services 01/01/14-12/31/14	93.043	EA014	\$ 130,733	\$ 130,733
National Family Caregiver Support -Title III, Part E 01/01/14-12/31/14	93.052	EA014	683,560	47,829
Special Programs for the Aging -Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation 01/01/14-12/31/14	93.041	E7014	21,267	-
Special Programs for the Aging - Title IV and Title II	93.048			
Special Programs for the Aging - Title IV and Title II - Discretionary Projects 09/30/13-09/29/14		90SP0077-01-00	183,792	-
Special Programs for the Aging - Title IV and Title II - Discretionary Projects 09/30/14-09/29/15		90SP0077-02-00	41,546	-
Special Programs for the Aging - Title IV and Title II - Discretionary Projects 06/01/13-05/31/14		90MP0101-03-00	106,087	-
Special Programs for the Aging - Title IV and Title II - Discretionary Projects 06/01/14-05/31/15		90MP0101-04-00	72,232	-
Total Special Programs for the Aging - Title IV and Title II			<u>403,657</u>	<u>-</u>
Administration for Community Living				
Medicare Enrollment Assistance			700	-
			<u>700</u>	<u>-</u>
Aging Cluster				
Special Programs for the Aging -Title III Admin 01/01/4-12/31/14	93.044-45	EA014	673,099	-
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers 01/01/14-12/31/14	93.044	EA014	2,744,137	2,149,879
Special Programs for the Aging - Title III, Part C-I - Nutrition Services 01/01/14-12/31/14	93.045	EA014	860,879	860,879
Special Programs for the Aging - Title III, Part C-II - Nutrition Services 01/01/14-12/31/14	93.045	EA014	1,428,516	1,428,516
<i>Passed through the United State Department of Agriculture</i>				
Nutrition Services Incentive Program 10/01/13-9/30/14	93.053	EU014	239,477	239,477
Nutrition Services Incentive Program 10/01/14-9/30/15	93.053	EU015	87,951	87,951
Total Aging Cluster			<u>6,034,059</u>	<u>4,766,702</u>
Total Administration for Community Living			<u>7,273,976</u>	<u>4,945,264</u>
Low-Income Home Energy Assistance Program	93.568			
Low-Income Home Energy Assistance Program 08/01/13-03/31/14		EP013	68,272	60,054
Low-Income Home Energy Assistance Program 03/01/14-03/31/15		EP014	296,426	270,976
Total Low-Income Home Energy Assistance Program			<u>364,698</u>	<u>331,030</u>
Centers for Medicare and Medicaid Services				
Medical Assistance Program	93.778			
Medical Assistance Program 07/01/13-06/30/14		EX013	95,439	-
Medical Assistance Program 07/01/14-06/30/15		EX014	87,981	-
Medical Assistance Program 07/01/13-06/30/14		EW013	46,557	-
Medical Assistance Program 07/01/14-06/30/15		EW014	35,283	-
Total Medical Assistance Program			<u>265,260</u>	<u>-</u>
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations Program	93.779			
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations 04/01/13-03/31/14		EN013	94,721	-
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations 04/01/14-03/31/15		EN013	298,050	-
Total Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations Program			<u>392,771</u>	<u>-</u>
Total Centers for Medicare and Medicaid Services			<u>658,031</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>8,296,705</u>	<u>5,276,294</u>
United States Department of Justice				
Passed through Florida Office of Attorney General				
Crime Victim Assistance Program	16.575			
Crime Victim Assistance Program 10/01/13-9/30/14		V13215	60,725	-
Crime Victim Assistance Program 10/01/14-9/30/15		V114-14215	15,575	-
Total United States Department of Justice			<u>76,300</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 8,373,005</u>	<u>\$ 5,276,294</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, 2014

STATE FINANCIAL ASSISTANCE:	<u>State CFSA Number</u>	<u>Contract Grant Number</u>	<u>Expenditures</u>	<u>Transfers to Subrecipients</u>
State of Florida Department of Elder Affairs				
Community Care for the Elderly Program				
Community Care for the Elderly Program 07/01/13-06/30/14	65.010	EC012	\$ 2,819,658	\$ 2,657,087
Community Care for the Elderly Program 07/01/14-06/30/15		EC014	3,166,639	2,973,189
Total Community Care for the Elderly Program			<u>5,986,297</u>	<u>5,630,276</u>
Aging Disability and Resource Center				
Aging Disability and Resource Center	65.010	EX013	141,995	-
Aging Disability and Resource Center		EX014	123,264	-
Total Aging Disability and Resource Center			<u>265,259</u>	<u>-</u>
Alzheimer's Respite Services Program				
Alzheimer's Respite Services 07/01/13-06/30/14	65.004	EZ012	411,800	411,800
Alzheimer's Respite Services 07/01/14-06/30/15		EZ014	548,693	548,693
Total Alzheimer's Respite Services Program			<u>960,493</u>	<u>960,493</u>
Local Services Program				
Local Services Program 07/01/13-06/30/14	65.009	EL013	1,068,462	1,001,660
Local Services Program 07/01/14-06/30/15		EL014	138,797	138,797
Total Local Services Program			<u>1,207,259</u>	<u>1,140,457</u>
Home Care for the Elderly Program				
Home Care for the Elderly Program 07/01/13-06/30/14	65.001	EH013	370,233	331,232
Home Care for the Elderly Program 07/01/14-06/30/15		EH014	319,964	280,963
Total Home Care for the Elderly Program			<u>690,197</u>	<u>612,195</u>
Total Expenditures of State Financial Assistance			<u>\$ 9,109,505</u>	<u>\$ 8,343,421</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, 2014

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.650, *Rules of the Auditor General of the State of Florida*.

Note 2 – Contingency:

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



CAVANAUGH & CO, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Area Agency on Aging of Pasco-Pinellas, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, 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 June 15, 2015

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) 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 Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

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

Sarasota, Florida
June 15, 2015

A handwritten signature in black ink that reads "Cavanaugh & Co. LLP". The signature is written in a cursive, flowing style with a large initial 'C'.



CAVANAUGH & CO, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on Compliance for Each Major Federal Program and State Project

We have audited Area Agency on Aging of Pasco-Pinellas, Inc.'s compliance with the types of compliance requirements described in the *OMB 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 Area Agency on Aging of Pasco-Pinellas, Inc.'s major federal programs and state projects for the year ended December 31, 2014. Area Agency on Aging of Pasco-Pinellas, Inc.'s major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program and State Projects

In our opinion, Area Agency on Aging of Pasco-Pinellas, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended December 31, 2014.

Report on Internal Control Over Compliance

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

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

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

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

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

Sarasota, Florida
June 15, 2015

A handwritten signature in black ink that reads "Carvernaugh & Co. LLP". The signature is written in a cursive, flowing style with a large initial 'C'.

Area Agency on Aging of Pasco-Pinellas, Inc.

**Schedule of Findings and Questioned Costs -
Federal Awards and State Financial Assistance
Year Ended December 31, 2014**

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, 2014 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 and State Awards

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 510(a) of OMB Circular A-133, 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:

<u>Federal Program or Cluster</u>	<u>CFDA Number</u>
Department of Health and Human Services	
<u>Aging Cluster:</u>	
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
Special Programs for the Aging - Title III, Admin.	93.044-45
Nutrition Services Incentive Program	93.053

<u>State Project</u>	<u>CFSA Number</u>
Department of Elder Affairs	
Community Care for the Elderly	65.010

8. The threshold used for distinguishing Type A and Type B programs was \$300,000 for major Federal programs and \$300,000 for 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, 2014**

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 OMB Circular A-133, Section 530.
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.

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