

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

**FINANCIAL STATEMENTS**

**Years Ended December 31, 2015 and 2014**



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

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## 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, 2015 and 2014 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, 2015 and 2014, 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 and state financial assistance, 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 19, 2016, 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*

Magers & Associates, LLC  
Orange Park, FL  
May 19, 2016

**CLAY COUNTY COUNCIL ON AGING, INC.  
DBA COUNCIL ON AGING OF CLAY COUNTY**  
STATEMENTS OF FINANCIAL POSITION  
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 475,298	\$ 390,585
Investments, at fair market value	118,101	118,101
Accounts, contracts and grants receivable	430,705	504,005
Other assets	6,774	30,091
Property and equipment, net of accumulated depreciation	<u>3,247,291</u>	<u>2,819,130</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 4,278,169</u></u>	<u><u>\$ 3,861,912</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$ 89,666	\$ 115,165
Accrued payroll expenses	27,735	21,410
Other accrued expenses	1,910	3,199
Accrued compensated absences	<u>63,085</u>	<u>54,670</u>
<b>TOTAL LIABILITIES</b>	<u>182,396</u>	<u>194,444</u>
<b>NET ASSETS</b>		
Unrestricted net assets:		
Operating	656,601	670,320
Investment in capital assets	3,247,291	2,819,130
Designated by the board for:		
Building fund	43,667	43,667
Transportation	35,197	52,591
ElderSource Contract	<u>49,595</u>	<u>48,309</u>
Total unrestricted net assets	4,032,351	3,634,017
Temporarily restricted net assets	<u>63,422</u>	<u>33,451</u>
<b>TOTAL NET ASSETS</b>	<u>4,095,773</u>	<u>3,667,468</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 4,278,169</u></u>	<u><u>\$ 3,861,912</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, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>UNRESTRICTED NET ASSETS</b>		
Public support:		
Direct contributions	\$ 46,271	\$ 28,624
In kind contributions	<u>367,124</u>	<u>358,340</u>
Total Public Support	<u>413,395</u>	<u>386,964</u>
Revenues:		
Medicaid and HMO	999,072	955,390
Project income	181,330	183,668
Interest on cash investments	2,613	3,489
Gain/Loss on disposal of fixed assets	15,223	(92,959)
Other	<u>211,244</u>	<u>120,567</u>
Total Revenues	<u>1,409,482</u>	<u>1,170,155</u>
Net assets released from restrictions:		
Restrictions satisfied by payments	<u>3,305,534</u>	<u>2,705,501</u>
Total Public Support, Revenues, and Other Support	<u>5,128,411</u>	<u>4,262,620</u>
Expenses		
Program services	4,164,097	4,023,145
Fund raising	7,045	4,710
Supporting services	<u>558,935</u>	<u>521,232</u>
Total Expenses	<u>4,730,077</u>	<u>4,549,087</u>
<b>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</b>	<u>398,334</u>	<u>(286,467)</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Northeast Florida Area Agency on Aging, Inc.	847,929	881,859
Department of Children and Families	-	1,155
Department of Transportation	920,205	574,833
Transportation Disadvantaged Commission	382,926	368,918
Capital Campaign	38,119	19,622
Jacksonville Transportation Authority	490,481	208,330
Clay County Board of Commissioners	<u>655,845</u>	<u>670,412</u>
Total Temporarily Restricted Net Assets	<u>3,335,505</u>	<u>2,725,129</u>
Net assets released from restrictions:		
Restrictions satisfied by payments	<u>(3,305,534)</u>	<u>(2,705,501)</u>
<b>INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS</b>	<u>29,971</u>	<u>19,628</u>
<b>CHANGE IN NET ASSETS</b>	428,305	(266,839)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>3,667,468</u>	<u>3,934,307</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 4,095,773</u>	<u>\$ 3,667,468</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, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Decrease in net assets	\$ 428,305	\$ (266,839)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	466,984	410,212
(Gain)/Loss on Disposal	(15,223)	146,205
(Increase) decrease in operating assets:		
Accounts, contracts and grants receivable	73,300	(60,022)
Other assets	23,317	(30,091)
Increase (decrease) in operating liabilities:		
Accounts payable	(25,499)	(72,053)
Accrued payroll expenses	6,325	8,291
Other accrued expenses	(1,289)	(4,607)
Accrued compensated absences	8,415	11,689
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>964,635</u>	<u>142,785</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Short term investments, net	-	(335)
Payments for property and equipment	(879,922)	(227,072)
<b>NET CASH (USED) BY INVESTING ACTIVITIES</b>	<u>(879,922)</u>	<u>(227,407)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT</b>	84,713	(84,622)
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<u>390,585</u>	<u>475,207</u>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<u>\$ 475,298</u>	<u>\$ 390,585</u>

See accompanying notes to the financial statements.



**CLAY COUNTY COUNCIL ON AGING, INC.**  
**DBA COUNCIL ON AGING OF CLAY COUNTY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2015

Program Services

	C-1	C-2	III-B	III-E	CCE	Trans- portation	Com- modities	Health
<b>PERSONNEL EXPENSES:</b>								
Salaries	\$ 119,570	\$ 17,468	\$ 92,773	\$ 22,311	\$ 142,642	\$ 1,060,297	\$ 11,928	\$ -
Payroll taxes	8,873	650	6,168	1,739	12,684	84,134	1,044	-
Fringe benefits	673	79	386	48	8,807	22,177	112	-
Pension plan	3,690	677	3,332	287	8,412	25,904	175	-
Workers' compensation ins.	537	189	1,393	-	4,824	29,001	121	-
<b>TOTAL PERSONNEL EXPENSES</b>	<b>133,344</b>	<b>19,064</b>	<b>104,052</b>	<b>24,385</b>	<b>177,368</b>	<b>1,221,513</b>	<b>13,381</b>	<b>-</b>
<b>OPERATING EXPENSES:</b>								
Building occupancy	10,509	203	2,864	264	1,404	-	246	-
Food expense	128,967	92,879	-	-	11,798	-	-	-
Insurance	822	469	882	118	1,798	3,844	-	-
Operating supplies	1,961	361	964	1,281	19,867	13,416	199	-
Professional services	1,845	174	2,004	939	3,329	34,172	1,102	-
Rent	62,424	12,230	27,623	1,915	16,723	78,881	2,685	-
Repairs and maintenance	1,474	80	1,008	319	2,614	8,762	320	-
Subcontract services	105	70	-	-	-	-	-	-
Telephone	676	41	580	169	344	5,840	10	-
Travel	821	3,534	9,142	4,260	17,251	1,462	1,002	-
Utilities	23,964	1,109	24,271	-	6,576	44,369	-	-
Vehicle	-	-	-	-	-	687,291	-	-
Other	1,555	199	5,935	22	38,632	19,366	1,246	23,537
<b>TOTAL OPERATING EXPENSES</b>	<b>235,124</b>	<b>111,350</b>	<b>75,273</b>	<b>9,287</b>	<b>120,337</b>	<b>897,404</b>	<b>6,810</b>	<b>23,537</b>
<b>OTHER EXPENSES:</b>								
Depreciation	11,017	11,017	11,017	-	11,017	411,898	-	-
<b>TOTAL EXPENSES</b>	<b>\$ 379,484</b>	<b>\$ 141,431</b>	<b>\$ 190,343</b>	<b>\$ 33,672</b>	<b>\$ 308,722</b>	<b>\$ 2,530,815</b>	<b>\$ 20,190</b>	<b>\$ 23,537</b>

See accompanying notes to financial statements.

ADI Adult Day Care	Medicaid/ Medicare		Program Total	Supporting Fundraising Services		TOTAL
	HMO	Other		Fundraising	Admin.	
\$ 211,901	\$ 135,195	\$ 5,647	\$ 1,819,732	\$ -	\$ 270,953	\$ 2,090,685
16,088	8,820	208	140,408	-	20,912	161,320
13,750	-	291	46,323	-	6,897	53,220
5,725	-	291	48,493	-	7,220	55,713
<u>1,795</u>	<u>-</u>	<u>339</u>	<u>38,198</u>	<u>-</u>	<u>19,933</u>	<u>58,131</u>
-	-	-	-	-	-	-
<u>249,257</u>	<u>144,015</u>	<u>6,775</u>	<u>2,093,154</u>	<u>-</u>	<u>325,915</u>	<u>2,419,069</u>
2,839	-	-	18,328	-	29,866	48,194
5,727	-	(4,713)	234,658	-	-	234,658
2,019	-	-	9,953	-	12,389	22,342
4,311	219	13	42,593	-	21,520	64,113
4,168	3,576	-	51,310	-	555	51,865
21,721	-	-	224,202	-	54,000	278,202
1,354	-	-	15,931	-	10,078	26,009
-	-	-	175	-	-	175
217	35	-	7,913	-	5,059	12,972
1,524	27,297	1,248	67,540	-	3,918	71,458
14,102	-	-	114,391	-	7,561	121,952
-	-	-	687,291	-	-	687,291
<u>31,754</u>	<u>41</u>	<u>7,386</u>	<u>129,674</u>	<u>7,045</u>	<u>88,074</u>	<u>224,793</u>
<u>89,735</u>	<u>31,168</u>	<u>3,934</u>	<u>1,603,959</u>	<u>7,045</u>	<u>233,020</u>	<u>1,844,024</u>
<u>5,509</u>	<u>3,856</u>	<u>1,653</u>	<u>466,984</u>	<u>-</u>	<u>-</u>	<u>466,984</u>
<u>\$ 344,501</u>	<u>\$ 179,039</u>	<u>\$ 12,362</u>	<u>\$ 4,164,097</u>	<u>\$ 7,045</u>	<u>\$ 558,935</u>	<u>\$ 4,730,077</u>

See accompanying notes to financial statements.

**CLAY COUNTY COUNCIL ON AGING, INC.**  
**DBA COUNCIL ON AGING OF CLAY COUNTY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2014

Program Services

	C-1	C-2	III-B	III-E	CCE	Trans- portation	Com- modities	LI/OAA	Health
<b>PERSONNEL EXPENSES:</b>									
Salaries	\$ 113,974	\$ 22,200	\$ 85,382	\$ 13,967	\$ 141,001	\$ 952,095	\$ 12,075	\$ 5,574	\$ -
Payroll taxes	8,511	1,077	5,752	1,197	13,067	76,408	1,072	170	-
Fringe benefits	1,442	345	589	40	8,148	35,487	99	-	-
Pension plan	3,070	774	2,259	290	6,764	25,366	137	-	-
Workers' compensation ins.	717	389	1,856	-	4,996	38,646	161	-	-
<b>TOTAL PERSONNEL EXPENSES</b>	<b>127,713</b>	<b>24,785</b>	<b>95,839</b>	<b>15,494</b>	<b>173,976</b>	<b>1,128,002</b>	<b>13,544</b>	<b>5,744</b>	<b>-</b>
<b>OPERATING EXPENSES:</b>									
Building occupancy	3,296	241	2,405	365	1,408	6,315	272	-	-
Food expense	145,033	90,139	-	-	11,853	-	-	-	-
Insurance	813	464	872	113	950	3,799	-	-	-
Operating supplies	2,443	599	1,035	1,347	40,272	10,988	249	-	-
Professional services	2,045	714	2,182	602	4,126	22,650	920	-	-
Rent	62,424	12,230	27,623	1,915	16,723	78,881	2,685	-	-
Repairs and maintenance	1,336	190	879	289	2,172	7,850	290	-	-
Subcontract services	111	34	-	-	435	15,215	-	-	-
Telephone	647	52	558	173	413	6,469	9	-	-
Travel	561	3,273	7,604	1,508	20,781	2,049	842	-	-
Utilities	24,506	1,768	25,042	-	6,488	45,517	-	-	-
Vehicle	-	-	-	-	-	681,525	-	-	-
Other	1,299	239	4,834	61	65,525	13,931	884	-	23,119
<b>TOTAL OPERATING EXPENSES</b>	<b>244,513</b>	<b>109,944</b>	<b>73,035</b>	<b>6,374</b>	<b>171,146</b>	<b>895,189</b>	<b>6,151</b>	<b>-</b>	<b>23,119</b>
<b>OTHER EXPENSES:</b>									
Depreciation	11,003	11,003	11,003	-	11,003	355,198	-	-	-
<b>TOTAL EXPENSES</b>	<b>\$ 383,229</b>	<b>\$ 145,731</b>	<b>\$ 179,876</b>	<b>\$ 21,868</b>	<b>\$ 356,125</b>	<b>\$ 2,378,389</b>	<b>\$ 19,695</b>	<b>\$ 5,744</b>	<b>\$ 23,119</b>

See accompanying notes to financial statements.

ADI Adult Day Care	Medicaid/ Medicare HMO	Other	Program Total	Supporting		TOTAL
				Fundraising	Services General/ Admin.	
\$ 154,429	\$ 124,409	\$ 2,875	\$ 1,627,981	\$ -	\$ 242,402	\$ 1,870,383
12,702	8,620	327	128,904	-	19,193	148,097
6,507	549	195	53,402	-	7,951	61,353
4,799	864	88	44,410	-	6,692	51,102
<u>2,414</u>	<u>825</u>	<u>-</u>	<u>50,003</u>	<u>-</u>	<u>7,846</u>	<u>57,849</u>
-	-	-	-	-	-	-
<u>180,851</u>	<u>135,267</u>	<u>3,485</u>	<u>1,904,700</u>	<u>-</u>	<u>284,084</u>	<u>2,188,785</u>
2,741	247	-	17,290	-	28,665	45,954
5,106	19,223	116	271,470	-	-	271,470
1,995	828	-	9,833	-	9,108	18,941
8,951	358	472	66,713	-	33,764	100,477
3,176	657	-	37,073	-	451	37,524
21,721	16,470	-	240,672	-	54,000	294,672
1,238	100	-	14,344	-	9,075	23,419
-	36,216	-	52,011	-	-	52,011
163	24	-	8,507	-	5,439	13,946
228	25,685	2,135	64,667	-	3,698	68,365
12,322	861	-	116,504	-	7,701	124,205
-	-	-	681,525	-	-	681,525
<u>5,278</u>	<u>6,426</u>	<u>6,027</u>	<u>127,623</u>	<u>4,710</u>	<u>85,248</u>	<u>217,581</u>
<u>62,917</u>	<u>107,096</u>	<u>8,750</u>	<u>1,708,233</u>	<u>4,710</u>	<u>237,148</u>	<u>1,950,090</u>
<u>5,501</u>	<u>3,851</u>	<u>1,650</u>	<u>410,212</u>	<u>-</u>	<u>-</u>	<u>410,212</u>
<u>\$ 249,270</u>	<u>\$ 246,215</u>	<u>\$ 13,885</u>	<u>\$ 4,023,145</u>	<u>\$ 4,710</u>	<u>\$ 521,232</u>	<u>\$ 4,549,087</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, 2015 and 2014

**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

In accordance with U.S. 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, 2015 and 2014, 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, 2015.

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

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2015 and 2014

**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 a Certificate of Deposit that matures December 1, 2016, twenty-four months from issuance. The Certificates of Deposit earn interest at .75% and are valued at \$118,101. 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, 2015 and 2014

**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, 2015 and 2014:

	2015	2014
Vehicles	\$ 3,458,006	\$ 2,543,513
Leasehold improvements	1,608,850	1,608,850
Furniture and equipment	404,973	385,816
	5,471,829	4,538,179
Less: accumulated depreciation	(2,224,538)	(1,719,049)
Total	\$ 3,247,291	\$ 2,819,130

Depreciation expense was \$466,984 and \$410,212 for the years ended December 31, 2015 and 2014, respectively.

Vehicles purchased with Federal and State funds 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:

	2015	2014
Revenue (contributions)	\$ 367,124	\$ 358,340
Expenses:		
Rent	296,619	314,419
Vehicle repairs and maintenance	70,505	43,921
Total	\$ 367,124	\$ 358,340

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, 2015 and 2014

**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, 2015, 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 four percent of each eligible employee's gross budgeted wages. Plan expenses incurred by the Organization during 2015 and 2014 were \$55,713 and 51,102, 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, 2015 and 2014.

**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 \$1,608,850 is recorded as Leasehold Improvement and is being depreciated over 40 years.

**NOTE 8 - OPEN TAX YEARS**

The Organization has evaluated its tax positions for all open years. Currently, the tax years open and subject to examination by the Internal Revenue Service are the 2012, 2013, and 2014 tax years. However, the Organization is not currently under audit nor has the Organization been contacted by any jurisdiction. Based on the evaluation of the Organization's tax positions, management believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Therefore, no provision for the effects of uncertain tax positions have been recorded for the fiscal year ended December 31, 2015.

**NOTE 9 - SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through May 19, 2016, 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, 2015

Federal/State Agency, Pass-through Entity	CFDA CSFA Number	Contract Number	Expenditures
<u>FEDERAL AWARDS</u>			
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES - Indirect Programs			
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	A015C	\$ 143,659
Special Programs for the Aging, Title IIIC2 Home Delivered Meals	93.045	A015C	<u>104,337</u>
Subtotal - CFDA 93.045			247,996
Special Programs for the Aging, Title IIIB Grants for Supportive Services & Senior Centers	93.044	A015C	130,069
Special Programs for the Aging, Nutrition Services Incentive Program	93.053	U015C	<u>34,809</u>
Subtotal Aging Cluster			412,874 *
Special Programs for the Aging, Title IIIE National Family Caregiver Support	93.052	A015C	47,732
Emergency Home Energy Assistance	93.568	P014C/P015C	<u>35,051</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>495,657</u>
DEPARTMENT OF TRANSPORTATION - Indirect Programs			
Passed through State of Florida Department of Transportation			
Federal Transit Capital Investment Grants	20.513	NA	226,137
Federal Transit Capital Investment Grants	20.513	ARB00	91,021
Federal Transit Formula Grants	20.507	NA	358,886 *
Formula Grants for Other than Urbanized Areas	20.509	AR068	326,764
Job Access - Reverse Commute - 5310 Capital Grant	20.516	ARB01	130,149
Job Access - Reverse Commute	20.516	AR135	<u>37,196</u>
TOTAL DEPARTMENT OF TRANSPORTATION			<u>1,170,153</u>
FEDERAL TRANSIT ADMINISTRATION - Indirect Program			
Passed through Department of Transportation or Jacksonville Transportation Authority (JTA)			
Transit Services Program Cluster:			
Job Access - Reverse Commute (JTA)	20.516	FL-37-X00-68	69,469
New Freedom Program (JTA)	20.521	FL-57-X00-37	<u>62,126</u>
TOTAL DEPARTMENT OF TRANSPORTATION AND FEDERAL TRANSIT ADMINISTRATION - Cluster			<u>131,595</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,797,405</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, 2015

Federal/State Agency, Pass-through Entity	CFDA CSFA Number	Contract Number	Expenditures
<u>STATE AWARDS</u>			
DEPARTMENT OF ELDER AFFAIRS - Indirect Programs			
Passed through Northeast Florida Area Agency on Aging, Inc., d/b/a ElderSource			
Alzheimer's Disease Initiative	65.004	Z014C/Z015C	\$ 97,628
Community Care for the Elderly	65.010	C014C/C015C	246,990
Home Care for the Elderly	65.001	H014C/H015C	<u>7,654</u>
TOTAL DEPARTMENT OF ELDER AFFAIRS			<u>352,272</u>
TRANSPORTATION DISADVANTAGED COMMISSIONS			
Trip/Equipment Grant	55.001	ARP70	83,340
Trip/Equipment Grant	55.001	ARF14	195,419
Trip/Equipment Grant	55.001	GO132	<u>187,507</u>
TOTAL TRANSPORTATION DISADVANTAGED COMMISSIONS			466,266 *
Urban Formula Grant	66.012	ARR53	<u>25,599</u>
TOTAL EXPENDITURES OF STATE GRANTS AND AWARDS			<u>\$ 844,137</u>

\* Audited as 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**  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
December 31, 2015

**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.



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**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, 2015, and the related notes to the financial statements, and have issued our report thereon dated May 19, 2016.

**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.

*Magery & Associates, LLC*

Magery & Associates, LLC  
Orange Park, Florida  
May 19, 2016



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**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 and State Project**

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, 2015. 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.

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

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.

### **Opinion on Each Major Federal Program and State Project**

In our opinion, Clay County Council on Aging, Inc. complied fairly, in all material respects, in relation to the financial statements taken as a whole, 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, 2015.

### **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*

Magers & Associates, LLC  
Orange Park, FL  
May 19, 2016



**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, 2015

**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

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:

**Federal Program**

**CFDA No.**

Pass through program from:

U.S. Department of Health and Human Services	
Programs for Cluster	
Special Programs for the Aging, Title IIIC1 Congregate Meals	93.045
Special Programs for the Aging, Title IIIC2 Home Delivered Meals	93.045
Special Programs for the Aging, Title IIIB Grants for Supportive Services & Senior Centers	93.044
Special Programs for the Aging, Nutrition Services Incentive Program	93.053

Department of Transportation	
Programs for Cluster	
Federal Transit Capital Formula Grants	20.507

**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, 2015**

<b>State Projects</b>	<b>CSFA No.</b>
Pass through program from:	
Department of Transportation - Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program	55.001
Dollar threshold used to	
Federal Programs	\$300,000
State Projects	\$253,241
Auditee qualified as low-risk	Yes
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 General?	None
<b>B. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS</b>	None
<b>C. FINDINGS AND QUESTIONED COSTS - MAJOR STATE PROJECTS</b>	None
<b>D. OTHER ISSUES</b>	
Management Letter	No
Summary of Prior Audit Findings	Not required because there were no prior year findings.