

NASSAU COUNTY COUNCIL ON AGING, INC.  
(A Nonprofit Corporation)  
Fernandina Beach, Florida

FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION

Years Ended December 31, 2015 and 2014

NASSAU COUNTY COUNCIL ON AGING, INC.

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**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Nassau County Council on Aging, Inc.  
Fernandina Beach, Florida

***Report on the Financial Statements***

We have audited the accompanying financial statements of Nassau County Council on Aging, Inc., which comprise the statements of financial position 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 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.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 Nassau 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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, by Section 215.97, Florida Statutes 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. The accompanying Schedule of Expenses by Program Service is also 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 audits 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 May 16, 2016, on our consideration of Nassau 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 the results of that testing, and not to provide an opinion on the 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 Nassau County Council on Aging, Inc.'s internal control over financial reporting and compliance.



James Knutzen & Associates, C.P.A.'s, P.A.  
Jacksonville, Florida  
May 16, 2016

NASSAU COUNTY COUNCIL ON AGING, INC.  
(A Nonprofit Corporation)  
STATEMENTS OF FINANCIAL POSITION  
December 31, 2015 and 2014

ASSETS

	<u>2015</u>	<u>2014</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 550,144	\$ 440,269
Accounts receivable, grantors (Note 1)	201,093	203,528
Prepaid insurance	14,034	21,670
Pledges receivable - short term (Notes 1 & 3)	<u>199,432</u>	<u>198,432</u>
Total Current Assets	964,703	863,899
Pledges receivable, net of discounts of \$720 for 2015 and \$1,440 for 2014 (Notes 1 & 3)	47,982	72,037
Land (Notes 1, 2, & 4)	5,000	5,000
Buildings and improvements	1,287,036	1,287,036
Furniture, vehicles, and equipment	<u>1,689,085</u>	<u>1,588,798</u>
	2,981,121	2,880,834
Accumulated depreciation	<u>(2,085,474)</u>	<u>(1,904,450)</u>
Total Fixed Assets	<u>895,647</u>	<u>976,384</u>
Total Assets	<u>\$ 1,908,332</u>	<u>\$ 1,912,320</u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Refundable advances	\$ 19,639	\$ 14,171
Accounts payable and accrued expense	53,163	109,020
Accrued payroll	<u>28,438</u>	<u>2,583</u>
Total Current Liabilities	<u>101,240</u>	<u>125,774</u>
Net Assets:		
Unrestricted net assets	454,848	357,663
Unrestricted net assets property	895,647	976,384
Temporarily restricted net assets (Note 11)	<u>456,597</u>	<u>452,499</u>
Total Net Assets	<u>1,807,092</u>	<u>1,786,546</u>
Total Liabilities and Net Assets	<u>\$ 1,908,332</u>	<u>\$ 1,912,320</u>

See accompanying notes to financial statements.

NASSAU COUNTY COUNCIL ON AGING, INC.  
(A Nonprofit Corporation)  
STATEMENTS OF ACTIVITIES  
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CHANGES IN UNRESTRICTED NET ASSETS:		
PUBLIC SUPPORT AND REVENUE:		
Public Support:		
Contributions	\$ 177,143	\$ 171,744
United Way	53,447	55,370
Special events (net of direct costs of \$22,920 and \$22,883)	90,265	53,240
Total Public Support	<u>320,855</u>	<u>280,354</u>
Grants and Agreements with Governmental Agencies:		
State of Florida	590,922	718,652
Medicaid	13,895	126,736
USDA	15,454	13,021
Department of Transportation	767,634	666,353
Nassau County Commission	243,000	243,000
City of Fernandina Beach	11,250	5,000
Total Government Grants	<u>1,642,155</u>	<u>1,772,762</u>
Revenue:		
Program revenue	597,899	498,765
Other	54,584	25,736
Total Revenue	<u>652,483</u>	<u>524,501</u>
Total Unrestricted Public Support and Revenue	2,615,493	2,577,617
EXPENSES AND LOSSES:		
Program Services	2,384,810	2,366,387
Management and General	213,173	211,661
Fundraising	1,062	1,121
Total Expenses	<u>2,599,045</u>	<u>2,579,169</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	<u>16,448</u>	<u>(1,552)</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:		
Contributions	3,594	125,350
Interest	504	3,690
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	<u>4,098</u>	<u>129,040</u>
INCREASE IN NET ASSETS	20,546	127,488
NET ASSETS, beginning of year	<u>1,786,546</u>	<u>1,659,058</u>
NET ASSETS, end of year	<u>\$ 1,807,092</u>	<u>\$ 1,786,546</u>

See accompanying notes to financial statements.

NASSAU COUNTY COUNCIL ON AGING, INC.  
(A Nonprofit Corporation)

STATEMENTS OF FUNCTIONAL EXPENSES

For The Years Ended December 31, 2015 and 2014

	2015				2014			
	Program Services - Care For The Elderly	Supporting Services - Management and General	Fundraising	Total	Program Services - Care For The Elderly	Supporting Services - Management and General	Fundraising	Total
Salaries	1,163,088	\$ 143,753	\$ -	\$ 1,306,841	\$ 1,108,085	\$ 136,954	\$ -	\$ 1,245,039
Employee benefits	83,941	10,375	-	94,316	79,574	9,835	-	89,409
Payroll taxes	98,071	12,121	-	110,192	98,140	12,130	-	110,270
	<u>1,345,100</u>	<u>166,249</u>	<u>-</u>	<u>1,511,349</u>	<u>1,285,799</u>	<u>158,919</u>	<u>-</u>	<u>1,444,718</u>
Professional fees	14,975	1,851	-	16,826	17,410	2,152	-	19,562
Office expenses	41,438	5,121	-	46,559	33,525	10,017	-	43,542
Communications/utilities	61,128	7,555	-	68,683	60,768	7,511	-	68,279
Travel	53,749	2,440	-	56,189	48,934	2,440	-	51,374
Transportation and vehicle expense	368,463	-	-	368,463	416,016	-	-	416,016
Repairs & maintenance	44,522	7,941	-	52,463	24,306	7,941	-	32,247
Food	109,013	2,057	-	111,070	100,053	2,057	-	102,110
Direct client service expense	58,301	-	-	58,301	69,650	-	-	69,650
Insurance	66,770	8,253	-	75,023	59,944	7,409	-	67,353
Other	49,378	2,655	1,062	53,095	52,139	2,803	1,121	56,063
	<u>2,212,837</u>	<u>204,122</u>	<u>1,062</u>	<u>2,418,021</u>	<u>2,168,545</u>	<u>201,248</u>	<u>1,121</u>	<u>2,370,914</u>
Total Expenses Before Depreciation								
Depreciation	171,973	9,051	-	181,024	197,842	10,413	-	208,255
Total Expenses	<u>\$ 2,384,810</u>	<u>\$ 213,173</u>	<u>\$ 1,062</u>	<u>\$ 2,599,045</u>	<u>\$ 2,366,387</u>	<u>\$ 211,661</u>	<u>\$ 1,121</u>	<u>\$ 2,579,169</u>

See accompanying notes to financial statements.

NASSAU COUNTY COUNCIL ON AGING, INC.  
(A Nonprofit Corporation)

STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 20,546	\$ 127,488
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	181,024	208,255
(Increase) decrease in due from grantors	2,435	(72,713)
(Increase) decrease in prepaid expenses	7,636	(21,670)
(Increase) decrease in pledges receivable	23,055	(84,133)
Increase in advances	5,468	14,171
Decrease in accounts payable and accruals	<u>(30,002)</u>	<u>(81,036)</u>
Net Cash Provided By Operating Activities	210,162	90,362
Cash Flows from Investing Activities:		
Redemptions of investments	-	25,655
Purchases of vehicles, fixed assets	<u>(100,287)</u>	<u>(35,491)</u>
Net Cash Used By Investing Activities	<u>(100,287)</u>	<u>(9,836)</u>
Net Increase in Cash	109,875	80,526
Cash, Beginning of Year	<u>440,269</u>	<u>359,743</u>
Cash, End of Year	<u>\$ 550,144</u>	<u>\$ 440,269</u>
Supplementary Disclosure of Cash Flow Information:	-	
Interest Expense Paid	<u>\$ -</u>	<u>\$ -</u>
Income Taxes Paid	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.



NASSAU COUNTY COUNCIL ON AGING, INC.  
(A Nonprofit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015 and 2014

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Organization

Nassau County Council on Aging, Inc. was incorporated in 1973 as a nonprofit service provider for the elderly of Nassau County, Florida. Services include congregate and home delivered meals, housekeeping, adult day care, education, and recreation. The Council maintains centers in Fernandina Beach and Hilliard. The Council has also been appointed the provider of social service transportation for Nassau County. State and federal support provides the majority of the funding for the Council.

Basis of Presentation

The financial statements are prepared in accordance with the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification 958. Under this standard, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Basis of Accounting

The financial statements of the Council have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Functional Allocation of Expenses

Expenditures in connection with program operations have been summarized on a functional basis in the statement of activities.

Accounts Receivable

The Council considers accounts receivable to be fully collectable; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectable, they will be charged to operations when that determination is made.

Property, Plant, and Equipment

Property, plant, and equipment are recorded at cost for purchased items. Donated items are recorded at fair market value at the date of gift. The governmental granting agency has a reversionary interest in property purchased with grant monies.

NASSAU COUNTY COUNCIL ON AGING, INC.  
(A Nonprofit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015 and 2014  
-continued-

Pledges Receivable

Pledges consist of the capital campaign supporting the development of the new Eastside Center and all the pledges are expected to be collected within five years. A 1% discount rate was used for the net present value of the pledges. The Council considers the pledges to be fully collectable; accordingly, no allowance for doubtful pledges is maintained.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Income Taxes

The Council qualifies as a tax-exempt, nonprofit organization under Section 501(c)(3) of the Internal Revenue Code, is not a private foundation and has no unrelated business taxable income. Management evaluated the Organization's tax positions and concluded that the Organization had maintained its exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2015, 2014, 2013, and 2012 are subject to examination by the IRS for 3 years after they were filed.

Depreciation

The Council depreciates its buildings, furniture and equipment over the estimated useful life of each asset using the straight-line method. The estimated useful lives range from five to thirty years.

Use of Estimates

Preparation of the Council's financial statements in conformity with generally accepted accounting principles requires the use of management's estimates, primarily related to collectability of receivables and depreciable lives of equipment. The nature of those estimates, however, is such that variances in actual results are generally immaterial.

NASSAU COUNTY COUNCIL ON AGING, INC.  
(A Nonprofit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015 and 2014  
-continued-

Fair Value of Financial Instruments

Generally accepted accounting principles require certain financial instruments to be recorded at fair value. Changes in methods of estimation could affect the fair value estimates; however, such changes are not expected to have a material impact on the organization's financial position, activities or cash flows.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

2. LAND AND LEASE COMMITMENTS:

The land account is composed of the cost of the land owned by the Council for the Westside Center. The Fernandina Beach Center is on land leased for a nominal annual sum from the Nassau General Hospital Board of Trustees, now Baptist Medical Center. The new Eastside Transportation Building is on land owned by Nassau County subject to a ninety-nine year lease for a nominal annual sum.

3. PLEDGES RECEIVABLE:

Pledges receivable are composed of promises to give for the construction of a new Eastside Center. Pledges receivable at December 31, 2015 are as follows:

Amounts due in:	
Less than one year	\$ 199,432
One to five years	<u>48,702</u>
Total pledges receivable	<u>248,134</u>
Less: discount to net present value	<u>720</u>
Net pledges receivable	\$ <u>247,414</u>

NASSAU COUNTY COUNCIL ON AGING, INC.  
(A Nonprofit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015 and 2014  
-continued-

4. PROPERTY AND EQUIPMENT:

Property and equipment consist of the following:

	<u>Estimated Life – Years</u>	<u>2015</u>	<u>2014</u>
Land, Hilliard		\$ 5,000	\$ 5,000
Eastside Transportation Building		634,811	634,811
Fernandina Building and Improvements	30	382,572	382,572
Hilliard Building and Improvements	30	269,654	269,654
Furniture and Equipment	5-10	93,110	87,880
Vehicles	5	<u>1,595,974</u>	<u>1,500,917</u>
		2,981,121	2,880,834
Accumulated Depreciation		<u>( 2,085,474)</u>	<u>(1,904,450)</u>
		<u>\$ 895,647</u>	<u>\$ 976,384</u>

5. GRANTS FROM GOVERNMENTAL AGENCIES:

Funding for the following grants is provided by Northeast Florida Area Agency on Aging, Inc. d/b/a ElderSource as flow-through grants from the following sources:

- Title III (Florida Department of Elder Affairs)
- Community Care For The Elderly (Florida Department of Elder Affairs)
- Emergency Home Energy Assistance (Florida Department of Elder Affairs)
- Alzheimer's Disease Initiative (Florida Department of Elder Affairs)
- Home Care for the Elderly (Florida Department of Elder Affairs)
- Nutrition Services Incentive (Florida Department of Elder Affairs)
- Local Services Program (Florida Department of Elder Affairs)

6. MATCHING REQUIREMENTS:

The Council received a substantial portion of its support from federal and state governments through the Area Agency on Aging, Inc. d/b/a ElderSource and the Florida Department of Transportation. Some grants include a local matching requirement. The funds used for matching, the grants and the matching requirements for fiscal year ending December 31, 2015 are as follows:

NASSAU COUNTY COUNCIL ON AGING, INC.  
(A Nonprofit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015 and 2014  
-continued-

6. MATCHING REQUIREMENTS, continued:

<u>Source/Grant</u>	<u>Revenue Requiring Match</u>	<u>Match Required</u>
Area Agency on Aging, Inc. d/b/a ElderSource:		
Title III	\$ 300,093	\$ 34,401
Community Care for Elderly	160,462	19,227
Florida Department of Transportation	474,254	203,859
Transportation Disadvantaged	293,380	<u>32,020</u>
Total Matching Required		\$ 289,507
Sources of Matching Funds:		
United Way	53,447	
Nassau County Commission	243,000	
City of Fernandina	11,250	
Interest, farebox and miscellaneous Contributions	54,032	
	<u>177,143</u>	
Total Funds Available for Match		<u>538,872</u>
(Excess) Match		<u>\$ (249,365)</u>

7. RETIREMENT PLAN:

The Council has a Simplified Employee Pension (SEP) plan for employees. Employees working more than 32 hours a week and employed for more than three years are eligible. Contributions made to the plan are at the discretion of the Board of Directors and cannot exceed 15% of the employee's salary. The board elected to contribute 4% and 4% of eligible salaries for 2015 and 2014. Pension expense as of December 31, 2015 and 2014 was \$1,804 and \$1,930, respectively.

8. CONCENTRATION OF REVENUE:

Nassau County Council on Aging, Inc. receives approximately 23% and 28% of its revenues from the State of Florida and 0.5% and 5% from the Medicaid program for the years ending December 31, 2015 and 2014, respectively. Laws and regulations governing these programs are complex and subject to interpretation. The Council believes that it is in compliance with all applicable laws and regulations. Compliance with laws and regulations can be subject to future government review and retroactive adjustment, as well as significant regulatory action.

NASSAU COUNTY COUNCIL ON AGING, INC.  
(A Nonprofit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015 and 2014  
-continued-

9. DONATED SERVICES:

Volunteers provide substantial donated service hours which contribute significantly to the operations of the organization. However, the value of these services is not accrued as revenue in the financial statements. Volunteer service hours can be used to meet the matching requirements of contracts listed in Note 6.

10. VEHICLE LIENS:

Vehicles purchased with grant monies are subject to a reversionary interest held by the Department of Transportation. The vehicles are registered to the Council and are titled to the Department of Transportation.

11. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets at December 31, 2015 and 2014 are composed of \$456,597 and \$452,499 in contributions (including pledges) and interest received on funds for the purchase and construction of a new center.

12. SUBSEQUENT EVENTS:

In preparing these financial statements, the organization has evaluated events and transactions for potential recognition or disclosure through May 16, 2016, the date the financial statements were available to be issued. No material events have occurred since December 31, 2015 that require recognition or disclosure in the financial statements.

The organization did locate a commercial property suitable to house the Eastside Center and its offer of \$2,900,000 was accepted. Closing is set for May, 2016. The property will be subject to a mortgage and the current commercial tenants will remain until their leases expire over the next two years.

NASSAU COUNTY COUNCIL ON AGING, INC.  
(A Nonprofit Corporation)  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
For The Year Ended December 31, 2015

<u>Federal-State Grantor/Pass-Through Grantor/Program Title</u>	<u>Contract Period</u>	<u>CFDA CSFA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>	<u>Transfers to Subrecipients</u>
<b>U.S DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					
Passed through State of Florida					
Department of Elder Affairs					
Northeast Florida Area Agency for the Aging, Inc. d/b/a Eldersource					
Title IIIB - Support Services	1/1/15 - 12/31/15	93.044	A015N	\$ 172,119	\$ -
Title IIIC1 - Congregate Meals	1/1/15 - 12/31/15	93.045	A015N	49,657	-
Title IIIC2 - Home Delivered Meals	1/1/15 - 12/31/15	93.045	A015N	46,924	-
Title IIIE - Caregiver Support Services	1/1/15 - 12/31/15	93.052	A015N	31,393	-
Emergency Home Energy Assistance	4/1/14 - 3/31/15	93.568	P014N	7,264	-
Emergency Home Energy Assistance	4/1/15 - 3/31/16	93.568	P015N	20,646	-
Nutrition Services Incentive	10/1/14 - 9/30/15	93.053	U014N	9,247	-
Nutrition Services Incentive	10/1/15 - 9/30/16	93.053	U015N	6,207	-
Department of Transportation					
Commission for the Transportation Disadvantaged					
Medicaid Non-Emergency Transportation	1/1/15 - 12/31/15	93.778	BDM87	13,895	-
<b>U.S DEPARTMENT OF TRANSPORTATION</b>					
Passed through State of Florida					
Department of Transportation					
Public Transportation Joint Participation Agreement-Operating Assistance	1/23/15 - 5/30/16	20.509	ARR21	301,221	-
Public Transportation Joint Participation Agreement-Operating Assistance	10/1/13 - 1/23/15	20.509	AR911	3,841	-
Public Transportation Joint Participation Agreement-Job Access	1/23/14 - 1/23/15	20.509	ARB04	54,491	-
5310 Seniors and Persons with Disabilities Capital Assistance	6/1/13 - 9/30/14	20.516	AQ009	86,149	-
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ 803,054</b>	<b>\$ -</b>
<b>STATE OF FLORIDA</b>					
<b>DEPARTMENT OF TRANSPORTATION</b>					
Public Transportation Joint Participation Agreement-Commuter Assistance	1/16/15 - 9/30/17	55.007	ARQ75	\$ 11,196	\$ -
Public Transportation Joint Participation Agreement-Commuter Assistance	6/27/13 - 2/28/15	55.007	AR285	17,356	-
<b>COMMISSION FOR THE TRANSPORTATION DISADVANTAGED</b>					
Direct Projects of Commission for the Transportation Disadvantaged					
Trip and Grant Agreement	7/1/14 - 6/30/15	55.001	ARG19	171,410	-
Trip and Grant Agreement	7/1/15 - 6/30/16	55.001	GO179	121,970	-
<b>DEPARTMENT OF ELDER AFFAIRS</b>					
Northeast Florida Area Agency for the Aging, Inc. d/b/a Eldersource					
Community Care for the Elderly	7/1/14-6/30/15	65.010	C014N	81,891	-
Community Care for the Elderly	7/1/15-6/30/16	65.010	C015N	78,571	-
Alzheimer's Disease Initiative	7/1/14-6/30/15	65.004	Z114N	30,448	-
Alzheimer's Disease Initiative	7/1/15-6/30/16	65.004	Z115N	25,813	-
Local Services Program	9/1/15-6/30/16	65.009	L015N	3,166	-
Home Care for the Elderly	7/1/14-6/30/15	65.001	H014N	7,928	-
Home Care for the Elderly	7/1/15-6/30/16	65.001	H015N	4,394	-
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>				<b>\$ 554,143</b>	<b>\$ -</b>

The accompanying notes are an integral part of this schedule.

NASSAU COUNTY COUNCIL ON AGING, INC.  
(A Nonprofit Corporation)

NOTES TO SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
For The Year Ended December 31, 2015

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 Nassau County Council on Aging, Inc. for the year ended December 31, 2015. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, "Rules of the Auditor General." Because the schedule presents only a selected portion of the operations of Nassau 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 Nassau County Council on Aging, Inc.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a) Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b) Pass through entity identifying numbers are presented where available.



NASSAU COUNTY COUNCIL ON AGING, INC.  
(A Nonprofit Corporation)  
SCHEDULE OF EXPENSES BY PROGRAM SERVICE

For the Year Ended December 31, 2015

Expenses	Adult Day Health Care	Adult Day Care	Case Aide	Case Management	Companionship	Congregate Meals	Counseling	Education	Emergency Alert Response	Health Support	Home Delivered Meals
Salaries	0	5,504	0	12,808	562	55,036	0	8,510	13,655	4,140	85,825
Payroll taxes & benefits	0	677	0	1,576	69	6,772	0	1,047	1,680	509	10,561
Travel	0	468	0	1,088	48	4,677	0	723	1,160	352	7,293
Communications/Postage	0	125	0	290	13	1,248	0	193	310	94	1,946
Utilities	0	0	0	0	0	0	0	0	0	0	0
Advertising	0	0	0	0	0	0	0	0	0	0	0
Insurance	0	0	0	0	0	0	0	0	0	0	0
Maintenance & Repair	0	206	0	478	21	2,055	0	318	510	155	3,205
Printing/Supplies	0	77	0	179	8	769	0	119	191	58	1,200
Building Cost	0	0	0	0	0	0	0	0	0	0	0
Equipment	0	0	0	0	0	0	0	0	0	0	0
Professional fees/Legal/Audit	0	32	0	74	3	320	0	49	79	24	498
Sub-contractors	0	50	0	117	5	503	0	78	125	38	784
Program Supplies	0	458	0	1,065	47	4,575	0	707	1,135	344	7,135
Depreciation	0	1,848	0	4,299	189	18,474	0	2,857	4,584	1,390	28,809
Food & Food Supplies	0	0	0	0	0	28,621	0	0	0	0	70,069
Other	0	142	0	329	14	1,415	0	219	351	106	2,207
<b>Total Expenses</b>	<b>0</b>	<b>9,586</b>	<b>0</b>	<b>22,305</b>	<b>978</b>	<b>124,465</b>	<b>0</b>	<b>14,820</b>	<b>23,780</b>	<b>7,209</b>	<b>219,533</b>
Allocation of Management & General	0	861	0	2,004	88	11,181	0	1,331	2,136	648	19,721
<b>Total Expenses after allocation</b>	<b>0</b>	<b>10,447</b>	<b>0</b>	<b>24,309</b>	<b>1,066</b>	<b>135,646</b>	<b>0</b>	<b>16,152</b>	<b>25,917</b>	<b>7,857</b>	<b>239,254</b>
Total Units	0	416	0	318	33	8,508	0	184	13,804	211	15,663

**NASSAU COUNTY COUNCIL ON AGING, INC.  
(A Nonprofit Corporation)  
SCHEDULE OF EXPENSES BY PROGRAM SERVICE**

For the Year Ended December 31, 2015

- continued -

Expenses	In Home Services											Screening/ Assessment
	Information	Personal Care	Homemaker	Respite	Chore	Medical Transportation	Nutrition Education	Outreach	Public Education	Recreation	Referral	
Salaries	0	36,966	77,736	153,072	411	0	2,338	0	0	7,612	0	2,192
Payroll taxes & benefits	0	4,549	9,566	18,836	51	0	288	0	0	937	0	270
Travel	0	3,141	6,606	13,008	35	0	199	0	0	647	0	186
Communications/Postage	0	838	1,762	3,470	9	0	53	0	0	173	0	50
Utilities	0	0	0	0	0	0	0	0	0	0	0	0
Advertising	0	0	0	0	0	0	0	0	0	0	0	0
Insurance	0	0	0	0	0	0	0	0	0	0	0	0
Maintenance & Repair	0	1,381	2,903	5,717	15	0	87	0	0	284	0	82
Printing/Supplies	0	517	1,087	2,140	6	0	33	0	0	106	0	31
Building Cost	0	0	0	0	0	0	0	0	0	0	0	0
Equipment	0	0	0	0	0	0	0	0	0	0	0	0
Professional fees/Legal/Audit	0	215	451	889	2	0	14	0	0	44	0	13
Sub-contractors	0	338	710	1,398	4	0	21	0	0	70	0	20
Program Supplies	0	3,073	6,463	12,726	34	0	194	0	0	633	0	182
Depreciation	0	12,409	26,094	51,383	138	0	785	0	0	2,555	0	736
Food & Food Supplies	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	951	1,999	3,936	11	0	60	0	0	196	0	56
<b>Total Expenses</b>	<b>0</b>	<b>64,377</b>	<b>135,376</b>	<b>266,574</b>	<b>715</b>	<b>0</b>	<b>4,071</b>	<b>0</b>	<b>0</b>	<b>13,256</b>	<b>0</b>	<b>3,817</b>
Allocation of Management & General	0	5,783	12,161	23,947	64	0	366	0	0	1,191	0	343
<b>Total Expenses after allocation</b>	<b>0</b>	<b>70,160</b>	<b>147,538</b>	<b>290,521</b>	<b>780</b>	<b>0</b>	<b>4,437</b>	<b>0</b>	<b>0</b>	<b>14,447</b>	<b>0</b>	<b>4,160</b>
Total Units	0	1,899	3,786	9,225	26	0	913	0	0	397	0	82

NASSAU COUNTY COUNCIL ON AGING, INC.  
(A Nonprofit Corporation)  
SCHEDULE OF EXPENSES BY PROGRAM SERVICE

For the Year Ended December 31, 2015

- continued -

Expenses						Supporting Services			Total
	Telephone Reassurance	Transportation	Non-DOEA-related services	Services for Other DOEA Programs	Total Program Costs	Fund Raising	Management & General	Total Supporting Services	
Salaries	0	45,951	650,772		1,163,088		143,753	143,753	1,306,841
Payroll taxes & benefits	0	5,654	118,970		182,012		22,496	22,496	204,508
Travel	0	3,905	10,212		53,749		2,440	2,440	56,189
Communications/Postage	0	1,042	49,514		61,128		7,555	7,555	68,683
Utilities	0	0	0		0		0	0	0
Advertising	0	0	0		0		0	0	0
Insurance	0	0	66,770		66,770		8,253	8,253	75,023
Maintenance & Repair	0	1,716	25,388		44,522		7,941	7,941	52,463
Printing/Supplies	0	642	34,276		41,438		5,121	5,121	46,559
Building Cost	0	0	0		0		0	0	0
Equipment	0	0	224,217		224,217		0	0	224,217
Professional fees/Legal/Audit	0	267	12,000		14,975		1,851	1,851	16,826
Sub-contractors	0	420	139,567		144,246		0	0	144,246
Program Supplies	0	3,820	15,709		58,301		0	0	58,301
Depreciation	0	15,425	0		171,973		9,051	9,051	181,024
Food & Food Supplies	0	0	10,323		109,013		2,057	2,057	111,070
Other	0	1,182	36,205		49,378	1,062	2,655	3,717	53,095
<b>Total Expenses</b>	<b>0</b>	<b>80,024</b>	<b>1,393,923</b>	<b>0</b>	<b>2,384,810</b>	<b>1,062</b>	<b>213,173</b>	<b>214,235</b>	<b>2,599,045</b>
Allocation of Management & General	0	7,189	125,220	0	214,235	(1,062)	(213,173)	(214,235)	0
<b>Total Expenses after allocation</b>	<b>0</b>	<b>87,213</b>	<b>1,519,143</b>	<b>0</b>	<b>2,599,045</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,599,045</b>
<b>Total Units</b>	<b>0</b>	<b>5,236</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

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MEMBER OF  
AMERICAN AND FLORIDA  
INSTITUTES OF  
CERTIFIED PUBLIC ACCOUNTANTS

**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  
Nassau County Council on Aging, Inc.  
Fernandina Beach, Florida

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 Nassau County Council on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, 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 May 16, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Nassau 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 Nassau 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 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 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 over financial reporting 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 Nassau County Council on Aging, Inc.'s financial statements are free of 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*.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Nassau 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.



James Knutzen & Associates, C.P.A.'s, P.A.  
Jacksonville, Florida  
May 16, 2016

**JAMES KNUTZEN & ASSOCIATES, C.P.A.'s, P.A.**

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MEMBER OF  
AMERICAN AND FLORIDA  
INSTITUTES OF  
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors  
Nassau County Council on Aging, Inc.  
Fernandina Beach, Florida

**Report on Compliance for Each Major Federal Program and State Project**

We have audited Nassau County Council on Aging, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the Department of Financial Services' State Projects Compliance Supplement, that could have a direct and material effect each of Nassau County Council on Aging, Inc.'s major federal programs and state projects for the year ended December 31, 2015. Nassau 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 federal and state statutes, regulations, and the terms and conditions of its federal awards and state projects applicable to its federal programs and state projects.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Nassau 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, Rules of the Auditor General. Those standards, the Uniform Guidance, 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 Nassau County Council on Aging, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, Nassau County Council on Aging, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended December 31, 2015.

### **Report on Internal Control over Compliance**

Management of Nassau 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 Nassau 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 and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance 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 Nassau 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.

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.

JAMES KNUTZEN & ASSOCIATES  
C.P.A.'s, P.A.

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

*James Knutzen & Associates*

James Knutzen & Associates, C.P.A.'s, P.A.  
Jacksonville, Florida  
May 16, 2016



NASSAU COUNTY COUNCIL ON AGING, INC.  
(A Nonprofit Corporation)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL PROGRAMS AND STATE PROJECTS

Year Ended December 31, 2015

Section I--Summary of Auditors' Results

Financial Statements:

Unmodified auditors' report issued

Internal control over financial reporting:

Material weakness(es) identified?	_____	YES	<u>  X  </u>	NO
Significant deficiency(ies) identified?	_____	YES	<u>  X  </u>	NO
Noncompliance material to financial statements noted?	_____	YES	<u>  X  </u>	NO

Federal/State Awards:

Internal control over major programs:

Material weakness(es) identified?	_____	YES	<u>  X  </u>	NO
Significant deficiency(ies) identified?	_____	YES	<u>  X  </u>	NO

Modified auditors' report issued on compliance for major programs/projects:

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516 or state single audit act?	_____	YES	<u>  X  </u>	NO
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Identification of major programs/projects:

	CFDA #'s	Name of Federal Program and State Project or Cluster
Public Transportation Joint Participation Agreement	20.509	N/A
Public Transportation Joint Participation Agreement	20.516	

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

CSFA #'s

Trip and Grant Agreement	55.001
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Dollar threshold used to distinguish between type A and type B programs:

\$166,243

Auditee qualified as low risk auditee?	_____	YES	<u>  X  </u>	NO
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Section II--Financial Statement Findings

None

NASSAU COUNTY COUNCIL ON AGING, INC.  
(A Nonprofit Corporation)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL PROGRAMS AND STATE PROJECTS

Year Ended December 31, 2015

Section III--Federal/State Award Findings and Questioned Costs

Major Federal/State Award Programs Audit:

None

Section IV--Summary Schedule of Prior Audit Findings

Finding 2014-1 Material Weakness in Internal Control

*Condition:* Documentation of timesheets, billings and policy and procedures manuals were substandard and led to overbilling the Community Care for the Elderly and Medicaid Waiver Programs.

*Recommendation:* Continue the thorough review of internal controls over grants and contracts and implement corrective action plan.

*Current Status:* The corrective action plan was completed. No similar findings were noted in the 2015 audit.

Section V--Corrective Action Plan

No Corrective Action Plan is required because there were no findings required to be reported under the Federal or Florida Single Audit Act.

Section VI--Management Letter

No management letter as defined in State of Florida, Rules of the Auditor General 10.656(3)(e) is required because there were no findings related to State Financial Assistance required to be reported.