

**AREA AGENCY ON AGING FOR
NORTH FLORIDA, INC.**

FINANCIAL STATEMENTS

DECEMBER 31, 2019

AREA AGENCY ON AGING FOR NORTH FLORIDA, INC.
TABLE OF CONTENTS
DECEMBER 31, 2019

	<u>Page(s)</u>
Independent Auditors' Report	1 – 2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5 – 6
Statement of Cash Flows	7
Notes to Financial Statements	8 – 13
Schedule of Expenditures of Federal Awards and State Financial Assistance	14 – 16
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance	17
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	18 – 19
Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance and Chapter 10.650, Rules of the State of Florida, Office of the Auditor General	20 – 21
Schedule of Findings and Questioned Costs	22 – 23

INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Area Agency on Aging for North Florida, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Area Agency on Aging for North Florida, Inc., which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

- 1 -

121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386-257-4100

133 East Indiana Avenue
DeLand, FL 32724-4329
Telephone: 386-738-3300

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850-386-6184

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Area Agency on Aging for North Florida, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, Rules of the State of Florida, Office of the Auditor General, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 2020 on our consideration of Area Agency on Aging for North Florida, 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 Area Agency on Aging for North Florida, Inc.'s internal control over financial reporting and compliance.

James Moore & Co., P.L.

Tallahassee, Florida
August 13, 2020

**AREA AGENCY ON AGING FOR NORTH FLORIDA, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019**

ASSETS

Current assets	
Cash and cash equivalents	\$ 509,966
Certificate of deposit	30,000
Grant and contract receivables	<u>1,013,628</u>
Total current assets	1,553,594
Property and equipment, net of accumulated depreciation	545,038
Other assets	
Deposits	3,776
Total Assets	<u><u>\$ 2,102,408</u></u>

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable and accrued expenses	\$ 1,017,527
Refundable advances	45,372
Total current liabilities	<u>1,062,899</u>
Net assets	
Without donor restrictions	
Undesignated:	
Operations	494,471
Property and equipment	545,038
Total net assets	<u>1,039,509</u>
Total Liabilities and Net Assets	<u><u>\$ 2,102,408</u></u>

The accompanying notes to financial statements
are an integral part of this statement.

**AREA AGENCY ON AGING FOR NORTH FLORIDA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Without Donor Restrictions
Support and revenues	
Grants and contracts	\$ 7,833,266
Interest	1,365
Contributions and other	159,574
Total support and revenues	7,994,205
 Expenses	
Program services	
Alzheimer's Respite Services	781,157
Community Care for the Elderly	1,807,162
Special Programs for the Aging	3,138,775
Home Care for the Elderly	415,747
Aging Resource Center	292,701
Respite for Elders Living in Everyday Families	17,471
Low-Income Home Energy Assistance	224,542
Medicaid Waiver	108,504
Serving Health Insurance Needs of Elders	102,903
Local Service Programs	96,211
Total program services	6,985,173
Administrative services	971,126
Total expenses	7,956,299
Increase in net assets	37,906
Net assets, beginning of year	1,001,603
Net assets, end of year	\$ 1,039,509

The accompanying notes to financial statements
are an integral part of this statement.

AREA AGENCY ON AGING FOR NORTH FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Alzheimer's Respite Services	Community Care for the Elderly	Special Programs for the Aging	Home Care for the Elderly	Aging Resource Center	Respite for Elders Living in Everyday Families
Program services						
Personnel and benefits	\$ -	\$ -	\$ 100,246	\$ -	\$ 250,930	\$ -
Travel	-	-	1,706	-	500	-
Communication and utilities	-	-	3,464	-	12,447	582
Printing and supplies	-	-	3,992	-	2,853	-
Materials and subcontracts	781,157	1,807,005	2,993,960	415,747	-	16,889
Meetings and conferences	-	-	1,339	-	1,106	-
Rent	-	-	675	-	1,141	-
Repairs and maintenance	-	-	40	-	142	-
Interest	-	-	-	-	-	-
Licenses and insurance	-	-	5,253	-	12,160	-
Noncapitalizable software and equipment	-	-	717	-	585	-
Professional fees	-	-	15,860	-	9,439	-
Other	-	-	8,034	-	1,111	-
Depreciation	-	157	3,489	-	287	-
Total program services	781,157	1,807,162	3,138,775	415,747	292,701	17,471
Allocation of administrative expenses	-	67,274	613,329	69,262	-	-
Total expenses	<u>\$ 781,157</u>	<u>\$ 1,874,436</u>	<u>\$ 3,752,104</u>	<u>\$ 485,009</u>	<u>\$ 292,701</u>	<u>\$ 17,471</u>

The accompanying notes to financial statements
are an integral part of this statement.

AREA AGENCY ON AGING FOR NORTH FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

	Low-Income Home Energy Assistance	Medicaid Waiver	Serving Health Insurance Needs of Elders	Local Service Programs	Administrative Services	Total
Program services						
Personnel and benefits	\$ -	\$ 95,266	\$ 66,623	\$ -	\$ 645,852	\$ 1,158,917
Travel	-	113	6,764	-	14,400	23,483
Communication and utilities	-	1,832	11,814	-	42,649	72,788
Printing and supplies	-	1,533	1,703	-	9,589	19,670
Materials and subcontracts	224,542	-	-	96,211	124,701	6,460,212
Meetings and conferences	-	650	569	-	14,388	18,052
Rent	-	332	856	-	5,327	8,331
Repairs and maintenance	-	16	141	-	3,146	3,485
Interest	-	-	-	-	38	38
Licenses and insurance	-	2,265	2,738	-	26,280	48,696
Noncapitalizable software and equipment	-	-	40	-	2,526	3,868
Professional fees	-	3,671	1,801	-	22,417	53,188
Other	-	1,001	9,046	-	45,270	64,462
Depreciation	-	1,825	808	-	14,543	21,109
Total program services	224,542	108,504	102,903	96,211	971,126	7,956,299
Allocation of administrative expenses	45,925	-	-	789	(796,579)	-
Total expenses	<u>\$ 270,467</u>	<u>\$ 108,504</u>	<u>\$ 102,903</u>	<u>\$ 97,000</u>	<u>\$ 174,547</u>	<u>\$ 7,956,299</u>

The accompanying notes to financial statements
are an integral part of this statement.

**AREA AGENCY ON AGING FOR NORTH FLORIDA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Cash flows from operating activities	
Cash received from grantors and contractors	\$ 7,809,273
Cash paid to employees, vendors, and subrecipients	(7,884,666)
Interest received	1,365
Other receipts	159,574
Interest paid	(38)
Net cash provided by operating activities	<u>85,508</u>
Cash flows from investing activities	
Purchases of property and equipment	(9,664)
Cash flows from financing activities	
Principal payments on mortgage payable	(7,628)
Net increase in cash and cash equivalents	<u>68,216</u>
Cash and cash equivalents, beginning of year	441,750
Cash and cash equivalents, end of year	<u><u>\$ 509,966</u></u>
Reconciliation of increase in net assets to net cash provided by operating activities	
Increase in net assets	<u>\$ 37,906</u>
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	21,109
Decrease in grant and contract receivables	86,171
Increase in accounts payable and accrued expenses	50,076
Decrease in refundable advances	(35,164)
Decrease in prepaid expenses	410
Decrease in deferred revenue	(75,000)
Total adjustments	<u>47,602</u>
Net cash provided by operating activities	<u><u>\$ 85,508</u></u>

The accompanying notes to financial statements
are an integral part of this statement.

AREA AGENCY ON AGING FOR NORTH FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies and practices of Area Agency on Aging for North Florida, Inc. (the "Organization") which affect significant elements of the accompanying financial statements:

(a) **Organization and Purpose**—The Organization is a not-for-profit corporation formed to plan, coordinate, and advocate for programs and services which promote the independence, dignity, health and well being of seniors and caregivers in North Florida. The Organization's primary roles and responsibilities include: serving as a focal point for information and coordination of services to assist elders, their families and caregivers; allocating Federal and State funds to lead agencies for the delivery of home and community-based services; and advocating on behalf of seniors.

(b) **Property and Equipment**—Property and equipment acquired by the Organization are considered to be owned by the Organization. However, funding sources may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The State of Florida has a reversionary interest in those assets purchased with its funds which have a cost of \$1,000 or more and an estimated useful life of at least one year. The Federal government has a reversionary interest in those assets purchased with its funds which have a cost of \$5,000 or more and an estimated useful life of at least one year.

Property and equipment with a value greater than \$500 and an estimated useful life of at least one year are recorded at cost when purchased or at estimated fair value when contributed. Depreciation is computed using the straight-line method over the estimated useful life of the assets, ranging from three to thirty-nine years.

(c) **Income Taxes**—The Organization is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and therefore, no provision for income taxes has been made in the accompanying financial statements.

The Organization files income tax returns in the U.S. Federal jurisdiction. The Organization's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

The Organization has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Organization.

(d) **Cash and Cash Equivalents**—For the purpose of reporting cash flows, cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of 90 days or less.

(e) **Use of Estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

AREA AGENCY ON AGING FOR NORTH FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

(f) **Basis of Accounting**—The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, and accordingly, reflect significant receivables, payables and other liabilities.

(g) **Refundable Advances**—The Organization records grant/contract receipts as refundable advances until they are expended for the purpose of the grant/contract, at which time they are recognized as revenue. The balance in refundable advances represents amounts received under cost reimbursable and unit rate contracts that will be expended in the next fiscal year in accordance with the grant/contract period.

(h) **Basis of Presentation**— The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions— Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions—Net assets subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

(i) **Functional Allocation of Expenses**—The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(j) **Contributions**—All contributions are considered to be available for undesignated use unless specifically designated by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions which increases these net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the entity reports the support as without donor restrictions.

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restriction unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

AREA AGENCY ON AGING FOR NORTH FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

(k) **Grant and Contract Receivables**—Grant and contract receivables are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with grantors and contractors having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

(l) **Advertising**—Advertising costs are charged to operations as incurred. Advertising costs for the year ended December 31, 2019 were \$11,504.

(m) **Revenue Recognition**—The Organization receives substantially all of its grants and contract revenue from Federal and State agencies. The Organization recognizes contract revenue (up to the contract ceiling) from its contracts over a period which represents the service period for certain contracts, or to the extent of expenses. Revenue recognition depends on the contract. Any funding source may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of non-compliance with the terms of the grants/contracts.

(n) **Accrued Leave**—The Organization compensates its eligible employees for unused vacation leave upon termination of employment. Vacation leave is accrued as earned by eligible employees and recorded as an expense in the period earned.

(2) **Significant Funding Source:**

The Organization receives a substantial amount of its funding from the State of Florida, Department of Elder Affairs and the United States Department of Health and Human Services passed through the State of Florida, Department of Elder Affairs. A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on the Organization's programs and activities.

(3) **Matching Requirements:**

Certain grants and contracts require the Organization to provide specified amounts of matching revenue. Each contract, where applicable, has met all matching requirements. Also, for each contract that ended on or before December 31, 2019, no obligation remains outstanding to the funding source.

(4) **Pension Plan:**

The Organization sponsors a defined contribution pension plan. Eligible employees are those that are at least 21 years old and have been employed with the Organization for at least six months. The Organization contributes 8% of gross wages. The amount of pension plan expense for the year ended December 31, 2019 was \$64,419.

AREA AGENCY ON AGING FOR NORTH FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

(5) **Grant and Contract Receivables:**

Grant and contract receivables consisted of the following at December 31, 2019:

Due from grantors	\$ 968,256
Due from subcontractors	45,372
	<u>\$ 1,013,628</u>

(6) **Concentrations of Credit Risk:**

The more significant concentrations of credit risk are as follows:

(a) **Demand and Time Deposits**—The Organization maintains demand and time deposits with several financial institutions. The Organization has no policy requiring collateral or other security to support its deposits. At the bank, amounts are insured up to limits established by the Federal Depository Insurance Corporation. At the brokerage house, amounts are insured up to limits established by the Securities Investor Protection Corporation (SIPC).

(b) **Grant and Contract Receivables**—The Organization's receivables are for amounts due under contracts with the State of Florida, Federal government agencies and subcontractors. The Organization has no policy requiring collateral or other security to support its receivables.

(7) **Liquidity and Availability:**

The Organization strives to maintain liquid financial assets sufficient to cover general expenditures. Financial assets in excess of daily cash requirements are used for the Organization to plan, coordinate, and advocate for programs and services which promote the independence, dignity, health and well-being of seniors and caregivers in North Florida. Financial assets available for general expenditure, that is, without donor restrictions or internally board designations limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 509,966
Certificate of deposit	30,000
Grant and contract receivables	1,013,628
Financial assets available to meet cash needs for general expenditures	<u>\$ 1,553,594</u>

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

(8) **Contingent Liabilities:**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by grantors cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.

AREA AGENCY ON AGING FOR NORTH FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

(9) **Property and Equipment:**

Property and equipment consists of the following at December 31, 2019:

Land	\$	242,447
Building		535,221
Furniture and equipment		198,600
		976,268
Less: accumulated depreciation		(431,230)
Total		\$ 545,038

Depreciation expense for the year was \$21,109.

(10) **Operating Lease:**

The Organization leases printers and copiers under a non-cancelable operating lease. At December 31, 2019, future minimum lease payments are as follows:

<u>Year ending December 31,</u>		<u>Amount</u>
2020	\$	4,068
2021		4,068
2022		3,729
Total		\$ 11,865

(11) **Subsequent Events:**

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through August 13, 2020, the date which the financial statements were available to be issued. Subsequent to December 31, 2019, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Organization as of August 13, 2020, management believes that a material impact on the Organization's financial position and results of future operations is reasonably possible.

AREA AGENCY ON AGING FOR NORTH FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

(12) Recently Issued Accounting Pronouncements:

The Organization has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in the notes to the financial statements below, does not believe that any other new or modified principles will have a material impact on the Organization's reported financial position or operations in the near term.

In May 2014, the FASB issued Accounting Standards Update 2014-09: Revenue from Contracts with Customers, to clarify the principles used to recognize revenue for all entities. The new standard (as amended) is effective for fiscal years beginning after December 15, 2019 and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

In February 2016, the FASB issued Accounting Standards Update 2016-02: Leases (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The new standard is effective for fiscal years beginning after December 15, 2022 and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

AREA AGENCY ON AGING FOR NORTH FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2019

Federal Grantor/Pass-Through Grantor/ State Grantor/Program or Cluster Title	Federal CFDA Number	State CFSA Number	Pass-Through Entity Award Number	Pass-Through to Subrecipients	Expenditures
FEDERAL AWARDS					
U.S. Department of Health and Human Services					
Passed through State of Florida, Department of Elder Affairs					
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	--	BA019	\$ 790,886	\$ 1,053,721
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	--	BA019	1,669,860	1,942,705
Nutrition Services Incentive Program	93.053	--	BA019	199,349	199,349
			Total Aging Cluster Expenditures	<u>2,660,095</u>	<u>3,195,775</u>
National Family Caregiver Support, Title III, Part E	93.052	--	BA019	<u>309,465</u>	<u>457,340</u>
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	--	BA019	<u>-</u>	<u>76,328</u>
State Health Insurance Assistance Program	93.324	--	BN019	<u>-</u>	<u>61,561</u>
State Health Insurance Assistance Program	93.324	--	BN018	<u>-</u>	<u>17,163</u>
				<u>-</u>	<u>78,724</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

AREA AGENCY ON AGING FOR NORTH FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

Federal Grantor/Pass-Through Grantor/ State Grantor/Program Title	Federal CFDA Number	State CFSA Number	Pass-Through Entity Award Number	Pass-Through to Subrecipients	Expenditures
FEDERAL AWARDS (Continued)					
U.S. Department of Health and Human Services (Continued)					
Passed through State of Florida, Department of Elder Affairs					
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation					
	93.041	--	B7019	-	21,251
Low-Income Home Energy Assistance	93.568	--	BP019	-	61,488
Low-Income Home Energy Assistance	93.568	--	BP018	-	181,495
				-	242,983
Medical Assistance Program	93.778	--	BX019	-	94,253
Medical Assistance Program	93.778	--	BX018	-	66,293
			Total Medicaid Cluster	-	160,546
Medicare Enrollment Assistance Program	93.071	--	BB020	-	5,387
Medicare Enrollment Assistance Program	93.071	--	BB019	-	12,693
				-	18,080
Total Federal Awards				2,969,560	4,251,027

See Accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

AREA AGENCY ON AGING FOR NORTH FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

Federal Grantor/Pass-Through Grantor/ State Grantor/Program Title	Federal CFDA Number	State CFSA Number	Award Number	Pass-Through to Subrecipients	Expenditures
STATE FINANCIAL ASSISTANCE					
State of Florida, Department of Elder Affairs					
Home Care for the Elderly	--	65.001	BH019	\$ 184,282	\$ 217,386
Home Care for the Elderly	--	65.001	BH018	231,465	266,087
				<u>415,747</u>	<u>483,473</u>
Alzheimer's Respite Services	--	65.004	BZ019	376,925	376,925
Alzheimer's Respite Services	--	65.004	BZ018	365,742	365,742
				<u>742,667</u>	<u>742,667</u>
Alzheimer Model Day Care, Memory Disorder Clinics, and Alzheimer Special Projects	--	65.002	BZ019	35,886	35,886
				<u>35,886</u>	<u>35,886</u>
Local Services Programs	--	65.009	BL019	44,080	44,858
Local Services Programs	--	65.009	BL018	52,129	53,778
				<u>96,209</u>	<u>98,636</u>
Community Care for the Elderly (CCE)	--	65.010	BC019	938,419	969,289
Community Care for the Elderly (CCE)	--	65.010	BC018	864,841	898,433
				<u>1,803,260</u>	<u>1,867,722</u>
Respite for Elders Living in Everyday Families (RELIEF)	--	65.006	BR019	6,768	6,768
Respite for Elders Living in Everyday Families (RELIEF)	--	65.006	BR018	7,809	7,809
				<u>14,577</u>	<u>14,577</u>
Total State Financial Assistance				<u>3,108,346</u>	<u>3,242,961</u>
Total Federal Awards and State Financial Assistance				<u>\$ 6,077,906</u>	<u>\$ 7,493,988</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

AREA AGENCY ON AGING FOR NORTH FLORIDA, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the Federal awards and State financial assistance activity of Area Agency on Aging for North Florida, Inc. under programs of the Federal and State government for the year ended December 31, 2019 in accordance with the 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 State of Florida, Office of the Auditor General. Because the Schedule presents only a selected portion of the operations of Area Agency on Aging for North Florida, Inc. it is not intended to and does not present the financial position, changes in net assets, or cash flows of Area Agency on Aging of North Florida, Inc.

Note 2. Summary of Significant Accounting Policies

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 allowed or are limited as to reimbursement.

Note 3. De Minimus Indirect Cost Rate Election

Area Agency on Aging for North Florida, Inc. has elected not to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.

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

To the Board of Directors,
Area Agency on Aging for North Florida, 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 Area Agency on Aging for North Florida, Inc., which comprise the statement of financial position as of December 31, 2019, 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 August 13, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Area Agency on Aging for North Florida, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Area Agency on Aging for North Florida, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Area Agency on Aging for North Florida, Inc.'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 over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting 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 we have not identified.

- 18 -

121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386-257-4100

133 East Indiana Avenue
DeLand, FL 32724-4329
Telephone: 386-738-3300

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850-386-6184

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Area Agency on Aging for North Florida, 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 Moore & Co., P.L.

Tallahassee, Florida
August 13, 2020

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE STATE OF FLORIDA, OFFICE OF THE AUDITOR GENERAL

To the Board of Directors,
Area Agency on Aging for North Florida, Inc.:

Report on Compliance for Each Major Federal Program and State Project

We have audited Area Agency on Aging for North Florida, Inc.'s compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* and the requirements described in the Florida Department of Financial Services' State Projects Compliance Supplement, that could have a direct and material effect on each of Area Agency on Aging for North Florida, Inc.'s major federal programs and major state projects for the year ended December 31, 2019. Area Agency on Aging for North Florida, Inc.'s major federal programs and major state projects are identified in the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Area Agency on Aging for North Florida, Inc.'s major federal programs and major 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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, Rules of the State of Florida, Office of the Auditor General. Those standards, the Uniform Guidance, and Chapter 10.650, Rules of the State of Florida, Office 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 major state project occurred. An audit includes examining, on a test basis, evidence about Area Agency on Aging for North Florida, 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 major state project. However, our audit does not provide a legal determination of Area Agency on Aging for North Florida, Inc.'s compliance.

- 20 -

121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386-257-4100

133 East Indiana Avenue
DeLand, FL 32724-4329
Telephone: 386-738-3300

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850-386-6184

Opinion on Each Major Federal Program and Major State Project

In our opinion, Area Agency on Aging for North Florida, 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 major state projects for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of Area Agency on Aging for North Florida, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Area Agency on Aging for North Florida, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and each major 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 major 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 State of Florida, Office 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 Area Agency on Aging for North Florida, 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 major 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.

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 State of Florida Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

James Moore & Co., P.L.

Tallahassee, Florida
August 13, 2020

**AREA AGENCY ON AGING FOR NORTH FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

I. Summary of Auditors' Results:

Financial Statements

Type of audit report issued on the financial statements: *Unmodified.*

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major Federal programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's report issued on compliance for major Federal programs: *Unmodified.*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

Identification of major Federal programs:

Federal Program	Federal CFDA Number
Aging Cluster	93.044, 93.045, 93.053
Dollar threshold used to distinguish between type A and type B Federal programs:	\$750,000
Auditee qualified as low-risk auditee?	<u> X </u> yes _____ no

