

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

**Financial Statements and
Compliance Reports**

December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Area Agency on Aging of Pasco-Pinellas, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Area Agency on Aging of Pasco-Pinellas, Inc. as of December 31, 2023, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Area Agency on Aging of Pasco-Pinellas, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Area Agency on Aging of Pasco-Pinellas, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are

considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Area Agency on Aging of Pasco-Pinellas, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

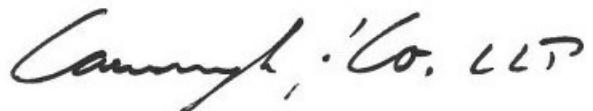
We have previously audited Area Agency on Aging of Pasco-Pinellas, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 26, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, *Rules of the Auditor General*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance 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 September 20, 2024, on our consideration of Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Canniff, Co., LLP". The signature is fluid and cursive, with "Canniff" and "Co." on the first line and "LLP" on the second line.

Sarasota, Florida
September 20, 2024

Area Agency on Aging of Pasco-Pinellas, Inc.

Statement of Financial Position

December 31, 2023
(with comparative totals for 2022)

ASSETS

	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents	\$ 3,410,924	4,442,943
Investments	2,519,267	-
Prepaid expenses	115,504	15,365
Due from grantors	5,316,919	5,385,266
Other current assets	18,375	18,375
Total current assets	<u>11,380,989</u>	<u>9,861,949</u>
Operating lease right-to-use asset	1,368,568	1,691,548
Furniture and equipment, net	<u>46,619</u>	<u>89,955</u>
Total assets	<u>\$ 12,796,176</u>	<u>11,643,452</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 226,503	25,860
Accrued expenses	295,779	246,585
Deferred revenue	796,615	609,516
Due to subrecipients	4,539,370	4,333,647
Lease liability, current portion	367,529	352,140
Liability for amounts held on behalf of others	<u>104,720</u>	<u>88,242</u>
Total current liabilities	6,330,516	5,655,990
Lease liability, net of current portion	<u>1,191,919</u>	<u>1,550,628</u>
Total liabilities	<u>7,522,435</u>	<u>7,206,618</u>
Net assets:		
Without donor restrictions	5,190,455	4,309,377
With donor restrictions	83,286	127,457
Total net assets	<u>5,273,741</u>	<u>4,436,834</u>
Total liabilities and net assets	<u>\$ 12,796,176</u>	<u>11,643,452</u>

See accompanying notes to financial statements.

Area Agency on Aging of Pasco-Pinellas, Inc.

Statement of Activities and Changes in Net Assets

Year Ended December 31, 2023

(with comparative totals for 2022)

<u>Changes in Net Assets Without Donor Restrictions</u>	2023	2022
Support and revenues		
Public support		
Federal grants	17,442,803	13,816,373
State grants	17,097,262	15,105,406
Local grants	199,275	3,558,295
Veterans Affairs	819,745	-
Contributions and sponsorships	68,357	149,017
Investment income	125,785	6,160
Other revenue	154,467	319
In-kind	344,360	324,600
Total support and revenues	36,252,054	32,960,170
Net assets released from restrictions	92,641	70,234
Total support and revenues	<u>36,344,695</u>	<u>33,030,404</u>
Expenses		
Program services:		
DOEA pass through programs	24,345,231	26,697,474
Information and referral	733,185	653,154
Outreach	55,257	66,392
Screening and assessment	277,534	280,283
OAA intake	108,017	137,972
Community Care for the Elderly (CCE) intake	657,123	557,132
Alzheimer's Disease Initiative (ADI) intake	145,603	115,109
Emergency Home Energy Assistance Program (EHEAP)	61,213	40,156
Serving Health Insurance Needs of Elders (SHINE)	305,018	291,643
Title VII Elder Abuse	12,258	19,987
Medicaid specialist	155,241	197,411
Aging and Disability Resource Center	379,807	353,795
Victims of Crime Advocates (VOCA)	-	158,827
American Rescue Plan	477,544	146,056
Other programs	5,995,656	978,517
Total program services	33,708,687	30,693,908
Supporting services:		
Management and general	1,754,930	1,600,167
Total expenses	<u>35,463,617</u>	<u>32,294,075</u>
Change in net assets without donor restrictions	881,078	736,329
<u>Changes in Net Assets With Donor Restrictions</u>		
Contributions	48,470	47,426
Net assets released from restrictions	(92,641)	(70,234)
Change in net assets with donor restrictions	(44,171)	(22,808)
Total change in net assets	836,907	713,521
Net assets - beginning of year	4,436,834	3,723,313
Net assets - end of year	<u>\$ 5,273,741</u>	<u>4,436,834</u>

See accompanying notes to financial statements.

Area Agency on Aging of Pasco-Pinellas, Inc.

Statement of Functional Expenses

Year Ended December 31, 2023

(with comparative totals for 2022)

Program Services												
	DOEA Pass Through Programs	Information and Referral	Outreach	Screening and Assessment	OAA Intake	CCE Intake	ADI Intake	EHEAP	SHINE	Title VII Elder Abuse	Medicaid Specialist	Aging and Disability Resource Center
Expenses:												
Salaries	\$ -	434,113	20,217	164,916	67,789	387,388	101,831	39,615	188,448	7,840	114,134	236,414
Payroll taxes	-	32,667	1,411	12,326	5,165	28,266	7,210	3,485	14,135	558	8,592	18,033
Employee benefits	-	115,073	7,955	39,441	16,308	98,001	22,799	10,558	44,289	2,663	13,966	62,603
Building rent	-	41,061	3,552	13,701	3,192	56,201	6,613	5,926	18,864	783	8,570	25,318
Telephone	-	3,987	544	2,639	620	3,139	1,267	409	1,395	18	395	12,871
Insurance	-	-	-	-	-	-	-	-	1,203	-	-	-
Travel	-	696	747	1,845	-	125	-	39	664	31	-	-
Training and development	-	1,380	238	218	120	747	144	47	270	28	142	291
Equipment purchases / capital offset	-	10,311	-	841	82	813	124	-	2,205	-	(13)	2,189
Office supplies	-	1,423	81	920	169	923	354	63	1,614	26	695	1,175
Postage	-	2,491	276	928	525	2,481	709	271	2,244	77	454	2,603
Printing	-	532	1,813	312	127	505	136	46	3,082	14	115	488
Equipment lease	-	2,033	188	689	465	1,866	463	168	953	40	457	1,614
Subcontracted services	-	1,221	177	408	303	2,437	295	139	5,077	39	-	-
Legal and consulting	-	-	-	-	-	900	900	-	-	-	-	-
Audit and accounting fees	-	3,942	57	1,970	794	2,503	928	16	1,490	123	3,244	7,287
Advertising	-	-	6,097	-	-	669	-	-	4,013	-	-	-
Dues and subscriptions	-	585	-	-	-	-	-	-	0	-	-	-
Client/volunteer expense	-	-	-	-	-	-	-	-	7,228	-	-	-
Meals	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance	-	354	51	111	95	344	81	37	168	9	160	405
Storage	-	182	182	-	-	-	-	-	-	182	-	45
Technology	-	5,890	455	976	756	3,064	533	191	3,289	6	3,977	6,290
Other/miscellaneous	-	3,078	104	250	161	1,677	1,216	203	4,205	3	308	2,181
Disbursements to providers	11,842,101	-	-	-	-	-	-	-	-	-	-	-
Disbursements to vendors	12,503,130	-	-	-	-	-	-	-	-	-	-	-
Home care for the elderly subsidies	-	-	-	-	-	-	-	-	-	-	-	-
VA Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Media	-	72,166	11,112	35,043	11,346	65,074	-	-	-	-	-	-
Total before depreciation	24,345,231	733,185	55,257	277,534	108,017	657,123	145,603	61,213	305,018	12,258	155,241	379,807
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	\$ 24,345,231	733,185	55,257	277,534	108,017	657,123	145,603	61,213	305,018	12,258	155,241	379,807

See accompanying notes to financial statements.

Area Agency on Aging of Pasco-Pinellas, Inc.

Statement of Functional Expenses - Continued

Year Ended December 31, 2023

(with comparative totals for 2022)

	Program Services		Supporting Services			
	American Rescue Plan	Other Programs	Total Program Services	Management and General	2023 Total Expenses	2022 Total
Expenses:						
Salaries	290,797	689,780	2,743,282	750,225	3,493,507	3,072,964
Payroll taxes	21,988	51,641	205,477	53,569	259,046	230,547
Employee benefits	62,504	164,358	660,518	164,972	825,490	735,792
Building rent	18,527	68,007	270,315	99,532	369,847	307,584
Telephone	3,169	20,543	50,996	11,255	62,251	64,676
Insurance	-	-	1,203	40,530	41,733	40,201
Travel	12	8,856	13,015	17,833	30,848	26,952
Training and development	570	10,388	14,583	5,598	20,181	36,970
Small equipment purchases	2,822	10,721	30,095	49,709	79,804	125,390
Office Supplies	527	2,680	10,650	24,937	35,587	23,155
Postage	1,352	3,879	18,290	4,031	22,321	22,513
Printing	293	6,752	14,215	6,939	21,154	19,231
Equipment rental	791	2,994	12,721	4,492	17,213	284
Subcontracted services	53,192	52,802	116,090	90,410	206,500	100,764
Legal and consulting	-	-	1,800	15,728	17,528	24,616
Audit and accounting fees	578	3,916	26,848	4,622	31,470	37,135
Advertising	-	-	10,779	20,886	31,665	21,609
Dues and subscriptions	-	-	585	17,579	18,164	35,838
Client/volunteer expense	-	142,564	149,792	73,851	223,643	138,152
Meals	-	-	-	2,196	2,196	2,390
Maintenance	1,035	1,115	3,965	6,119	10,084	42,042
Storage	-	-	636	6,805	7,441	4,673
Technology	18,646	50,467	94,540	92,686	187,226	94,388
Other/miscellaneous	741	4,708	18,835	28,976	47,811	22,683
Disbursements to providers	-	-	11,842,101	-	11,842,101	12,239,070
Disbursements to vendors	-	976,617	13,479,747	-	13,112,280	11,081,623
Home care for the elderly subsidies	-	-	-	-	367,467	469,766
VA Expenses	-	3,691,363	3,691,363	-	3,691,363	2,907,015
Media	-	31,505	226,246	118,114	344,360	324,600
Total before depreciation	477,544	5,995,656	33,708,687	1,711,594	35,420,281	32,252,623
Depreciation	-	-	-	43,336	43,336	41,452
Total expenses	477,544	5,995,656	33,708,687	1,754,930	35,463,617	32,294,075

See accompanying notes to financial statements.

Area Agency on Aging of Pasco-Pinellas, Inc.

Statement of Cash Flows
 Year Ended December 31, 2023
 (with comparative totals for 2022)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 836,907	713,521
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Unrealized gain on investments	(52,561)	-
Depreciation	43,336	41,452
(AIncrease) decrease in:		
Prepaid expenses	(100,139)	33,550
Due from grantors	68,347	(3,057,824) [¶]
Operating lease right-to-use asset	322,980	(36,678)
Increase (decrease) in:		
Accounts payable	200,643	(33,948)
Accrued expenses	49,194	(35,982)
Deferred revenue	187,099	609,516
Due to subrecipients	205,723	362,486
Liability for amounts held on behalf of others	16,478	88,242
Refundable advances	-	(3,668)
Lease liability	(343,320)	35,470
Total adjustments	<u>597,780</u>	<u>(1,997,384)</u>
Net cash flows from operating activities	<u>1,434,687</u>	<u>(1,283,863)</u>
Cash flows from investing activities:		
Purchase of investments	(3,731,829)	-
Proceeds from investments	1,265,123	-
Purchase of furniture and equipment	-	(119,877)
Net cash flows from investing activities	<u>(2,466,706)</u>	<u>(119,877)</u>
Increase in cash and cash equivalents	(1,032,019)	(1,403,740)
Cash and cash equivalents - beginning of year	<u>4,442,943</u>	<u>5,846,683</u>
Cash and cash equivalents - end of year	<u>\$ 3,410,924</u>	<u>4,442,943</u>
Supplemental cash flow information:		
Operating lease right-to-use asset acquired	<u>\$ -</u>	<u>306,637</u>

See accompanying notes to financial statements.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements

December 31, 2023

Note 1 – Organization, Programs, and Summary of Significant Accounting Policies:

Organization

The Area Agency on Aging of Pasco-Pinellas, Inc. (“AAAPP” or “Agency”) County has been serving the community since 1974. Established as a non-profit in April of 2000, AAAPP has been designated by the State of Florida Department of Elder Affairs (DOEA) as the Area Agency on Aging (AAA) for Planning and Service Area 5, which covers Pasco and Pinellas Counties. AAAPP provides funding from federal and state governmental entities to various service providers, who assist seniors and individuals with disabilities to age in place.

AAAPP serves as the Aging and Disability Resource Center (ADRC) for the two-county area. The ADRC is the initial entry point and coordinating system for all aging and disability social services.

Programs

Department of Elder Affairs (DOEA) Pass Through Programs

- *Older Americans Act (OAA)* – This funding provides services such as adult day care, counseling, chore, homemaker, transportation, congregate dining and home delivered meals to persons aged 60 and older.
- *Community Care for the Elderly (CCE)* - Assists functionally impaired persons aged 60 and older to live dignified and reasonably independent lives in their own homes, or in the homes of relatives or caregivers. The program provides a continuum of care through the development, expansion, reorganization, and coordination of multiple community-based services to assist participants to reside in the least restrictive environment suitable to their needs.
- *Home Care for the Elderly (HCE)* – Supports care for persons aged 60 and older in family-type living arrangements within private homes, as an alternative to institutional or nursing home care.
- *Alzheimer’s Disease Initiative (ADI)* – Provides a continuum of services to meet the changing needs of individuals and the families, affected by Alzheimer disease and related disorders.
- *Local Service Program (LSP)* - Provides additional funding to expand long-term care alternatives enabling persons aged 60 or older to maintain an acceptable quality of life in their own homes and avoid or delay nursing home placement.
- *Emergency Home Energy Assistance for the Elderly (E HEAP)* – Assists low-income households experiencing a home energy emergency, where at least one-person age 60 or older resides.

AAAPP Programs

Information and Referral – Guides individuals to community resources, including government funded programs, non-profit agencies, and for-profit business serving Pinellas and Pasco counties.

Older Americans Act Intake – Provides screening, re-screening and prioritization for the services provided under the Older Americans Act, such as homemaker, chore, adult day care, transportation and nutrition.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued

December 31, 2023

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

Older Americans Act Caregiver Support Programs – The National Family Caregiver Support Program helps unpaid caregivers of any age caring for persons 60 years of age or older. The goal of this program is to relieve the emotional, physical and financial hardships of providing continual care.

Community Care for the Elderly Intake - Provides screening, re-screening and prioritization for the CCE program personal care, nutrition, adult day care, case management and other services that provide a continuum of in-home supportive services.

Alzheimer's Disease Initiative Intake – Provides screening, re-screening and prioritization for the ADI program such as respite, adult day care, case managed and other services that provide a continuum of in-home supportive services.

Emergency Home Energy Assistance for the Elderly-The AAAPP manages the program and provides monitoring, training, and technical assistance to the service providers in Pasco and Pinellas counties.

Serving Health Insurance Needs of Elders (SHINE) – Provides free, unbiased and high-quality health insurance counseling through a dedicated network of SHINE volunteers, empowering individuals to make informed health care choices.

Title VII Elder Abuse - Provides education, training and information services focused on the prevention of elder abuse, neglect and exploitation.

Medicaid Specialist - Provides services to facilitate entry into the long-term care service system, screen potential Medicaid eligibility and maintain the APCL for public-funded long - term care programs and services.

Aging and Disability Resource Center (ADRC) – Part of the statewide coordinated system for information and access to services for all residents of Pasco and Pinellas Counties seeking long-term care resources. The ADRC provides information and assistance for state and federal benefits, as well as available local programs and services; screens and rescreens individuals who are seeking assistance from federal and state funded programs in order to remain independent in the community; assists clients who need community based long- term care through the statewide Medicaid managed care long-term care program; and provides long-term care education and assists with Medicaid eligibility for persons 18 or older determined disabled by the Social Security Administration or persons aged 65 or older and enrolled in Medicare PARTS A and B.

Victims of Crime Act (VOCA) – A federal assistance grant provides funding for use in responding to the emotional and physical needs of crime victims, assisting victims in stabilizing their lives after their victimization, helping victims to understand and participate in the criminal justice system, and providing victims with a measure of safety and security.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued

December 31, 2023

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

American Rescue Plan Act – Federal funds providing additional support for established services under OAA, such as counseling, chore, homemaker, transportation, congregate dining and home delivered meals to persons aged 60 and older. In addition to these services, support for technology use initiatives, pet support and short-term case management are also provided.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Agency and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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. There were no net assets with donor restrictions as of December 31, 2023.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Agency considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments

Management determines the appropriate classification of investment securities at the time of purchase and re-evaluates such classification as of each statement of financial position date. All investments are recorded at fair value. Interest, dividends, and realized and unrealized gains and losses on securities are included in the statement of activities.

Due from Grantors

Amounts due from grantors represent amounts receivable from grantor agencies for allowable expenses incurred before December 31, 2023. Management believes all expenses are allowable under the grant requirements and are fully collectible. As such, no allowance for doubtful accounts is considered necessary.

Due to Subrecipients

Amounts due to subrecipients represent amounts requested for reimbursement from the Agency for allowable expenses incurred by the sub-recipients before December 31, 2023.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued

December 31, 2023

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

Property and Equipment

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

Leases

The Agency leases office space and equipment. The determination of whether an arrangement is a lease is made at the lease's inception. A contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease right-of-use ("ROU") assets, other current liabilities, and operating lease liabilities in our statement of financial position.

ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Agency uses the implicit rate when it is readily determinable. Since most of the Agency's leases do not provide an implicit rate, to determine the present value of lease payments, management uses the Agency's incremental borrowing rate based on the information available at lease commencement. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Agency's lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise the option.

The Agency has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices. For certain equipment leases the Agency accounts for the lease and non-lease components as a single lease.

Liability for Amounts Held on Behalf of Others

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

Refundable Advances

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

Revenue Recognition

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

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued

December 31, 2023

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

Donated Goods and Services

The Agency receives donated services in the form of video production and airing of programs in its service area. These donated services are recognized as contributions at their estimated fair value on the date of receipt and reported as an expense when utilized. These services are valued using third party estimates using the rates in like circumstances. Donated services are not sold and are used for program purposes only.

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

Many volunteers have contributed significant amounts of time to activities of the Agency without compensation. The financial statements do not reflect the value of those contributed services because they do not meet the above recognition criteria. The estimated fair value of the volunteers is approximately \$93,000.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with restrictions. When a restriction expires, these are reclassified to net assets without restrictions.

Income Tax Status

The Agency has been determined to be an organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Income from certain activities not directly related to the Agency's tax-exempt purpose is subject to taxation as unrelated business income.

Management has evaluated the effect of accounting standards relating to accounting for uncertainty in income taxes. Management has determined that the Agency had no uncertain income tax positions that could have a significant effect on the financial statements for the year ended December 31, 2023. The Agency's federal income tax returns are subject to examination by the Internal Revenue Service, generally for three years after the federal income tax returns were filed.

Expense Allocation

The cost of providing various programs and other activities has been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are directly charged to the program activities other than those that benefit multiple functions. The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Agency. Those expenses include salaries, related personnel costs and occupancy. Salaries and related personnel costs are allocated based on time studies. Occupancy is allocated based on a square footage basis.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued

December 31, 2023

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

Donated Property and Equipment

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

Advertising Costs

The Agency charges costs of advertising to operations as incurred. Advertising expenses were approximately \$31,665 for the year ended December 31, 2023.

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.

Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Note 2 – Uninsured Cash Balances:

The Agency maintains its cash balances at financial institutions located in St. Petersburg, Florida. Accounts at each financial institution are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per customer. The Agency from time to time may have amounts on deposit in excess of the insurance limits. As of December 31, 2023, the Agency had cash and cash equivalents of approximately \$3,162,000 which exceeded the insured amounts.

Note 3 – Concentrations:

The Agency's activities are conducted in Pinellas and Pasco County, Florida and are supported by funding provided by government agencies. The Agency is dependent upon grants from federal and state agencies for its principal source of revenues. A significant decline in funding to the Agency could adversely affect the operating results of the Agency.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued

December 31, 2023

Note 4 – Investments:

The components of investments at December 31, 2023, are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Accumulated Unrealized Gain (Loss)</u>
Cash	\$ 533,835	533,835	-
Community foundation	815,932	825,937	10,005
Exchange traded funds			
Schwab equity	56,953	60,067	3,114
Vanguard equity	92,086	98,365	6,279
Vanguard bond	390,352	392,354	2,002
Mutual funds			
AHL managed fund	57,143	56,191	(952)
Gotham absolute return	56,678	59,211	2,533
Equity funds	185,040	197,061	12,021
Fixed income funds	<u>286,146</u>	<u>296,246</u>	<u>10,100</u>
Total	<u>\$ 2,474,165</u>	<u>2,519,267</u>	<u>45,102</u>

Investment earnings, net, for the year ended December 31, 2023 were comprised of the following:

Interest and dividends	\$ 76,887
Realized and unrealized losses	52,561
Investment fees	(3,663)
Total	<u>\$ 125,785</u>

Note 5 – Property and Equipment:

Property and equipment consist of the following:

Furniture and equipment	\$ 323,240
Less: accumulated depreciation	(276,621)
Net property and equipment	<u>\$ 46,619</u>

The Agency has restrictions on disposals of fixed assets pursuant to grantor contracts. The Agency can gift fixed assets to its provider or dispose of fixed assets with the permission of the provider. During the year ended December 31, 2023, the Agency did not dispose of any furniture and equipment.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued

December 31, 2023

Note 6 – Leases:

The Agency enters into leases in the normal course of business primarily for office space and equipment expiring in varying years. The Agency includes lease extension and termination options in the lease term if, after considering relevant economic factors, it is reasonably certain the Agency will exercise the option. In addition, the Agency has elected to account for any non-lease components in its real estate leases as part of the associated lease component. The Agency has also elected not to recognize leases with original lease terms of 12 months or less (short-term leases) on the Agency's statement of financial position.

Leases are classified as operating or finance leases at the lease commencement date. Lease expense for operating leases and short-term leases is recognized on a straight-line basis over the lease term. Right-of-use assets represent the Agency's right to use an underlying asset for the lease term and lease liabilities represent the Agency's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

The Agency leases office space in St. Petersburg, Florida. Terms of the lease call for monthly payments through January 2028. Monthly payments are currently \$30,139 but are subject to annual increases. The Agency also leases office equipment under two leases that expire in 2024 and 2025. Terms of these leases call for monthly payments of \$1,159. Total lease expense for the year ended December 31, 2023 was \$369,847.

Supplemental Lease Information

Right-of-use asset obtained in exchange for a new operating lease	\$ 122,345
Operating cash flows for operating leases	\$ 301,465
Weighted average remaining lease term for operating lease (years)	4.05
Weighted average discount rate for operating lease	1.87%

Future undiscounted lease payments for operating leases with initial terms of one year or more as of December 31, 2023, are as follows:

2024	\$ 393,200
2025	392,564
2026	397,758
2027	403,305
2028	33,668
Total lease payments	1,620,495
Less: imputed interest	(276,621)
Present value of lease liabilities	1,559,448
Less – current portion	(367,529)
Lease liabilities, net of current portion	\$ 1,191,919

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued

December 31, 2023

Note 7 – Net Assets with Donor Restrictions:

The Agency received contributions from donors with restrictions. The purpose restrictions of net assets with donor restrictions as of December 31, 2023, are as follows:

Unmet needs	\$ 71,165
Senior Community Health	9,539
Other	<u>2,582</u>
Total	<u>\$ 83,286</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donors during 2023 as follows of

Unmet needs	\$ 55,952
Senior Community Health	35,950
Other	<u>739</u>
Total	<u>\$ 92,641</u>

Note 8 – Employee Benefit Plan:

The Agency has established a 401(k) profit-sharing plan which covers all full-time employees who are eligible and choose to participate in the plan. Employees are fully vested after 5 years of service or when the participant has reached retirement age or upon death or disability. Annual contributions of the Agency are voluntary and are made at the discretion of the Board of Directors. For 2023, the Board of Directors approved a contribution of 10% of all eligible employee salaries, which was \$242,242 for the year ended December 31, 2023.

Note 9 – Donated Goods and Services:

The following schedule summarizes the in-kind contributions received for the year ended December 31, 2023:

Pinellas County public access TV	\$ 231,000
Pasco County public access TV	93,600
Ring doorbells	<u>19,760</u>
Total	<u>\$ 344,360</u>

Note 10 – Liquidity:

The Agency receives the vast majority of its funding from federal and state grants for programs. Funding provided by these grants is primarily based on reimbursements of costs incurred or unit-based funding formulas. In addition, certain grants allow for cash advances to provide cash flow. These grants fund programs, the services of which are provided by the Agency and subrecipients. Requests for reimbursement are prepared monthly by the Agency and submitted to the grantor agencies. Likewise, subrecipients provide monthly requests for reimbursement to the Agency. The Agency's contracts and agreements specifically state that subrecipients will not be reimbursed for services until the Agency receives payment from the grantor. As a result, the focus of the Agency's liquidity management is to have sufficient cash available to pay subrecipients on a timely basis. During the year ended December 31, 2023 the Agency was able to meet this objective.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued

December 31, 2023

Note 10 – Liquidity - continued:

As of December 31, 2023, the following financial assets could readily be made available within one year of the balance sheet date to meet amounts due to subrecipients and other general expenditures:

Cash and cash equivalents	\$ 3,410,924
Investments	2,519,267
Due from grantors	<u>5,316,919</u>
Total financial assets	11,247,110
Less:	
Amounts due to subrecipients	(4,539,370)
Restricted amounts	<u>(83,286)</u>
Net financial assets	<u>\$ 6,624,454</u>

Note 11 – Fair Value of Financial Assets:

Certain assets of the Agency are presented at fair value. The FASB Accounting Standards Codification provides enhanced guidance for using fair value to measure assets and liabilities and clarifies the principle that fair value should be based on the assumption market participants would use when pricing the assets or liabilities and establishes a hierarchy that prioritizes the information used to develop those assumptions.

The following table presents information about the Agency assets that are measured at fair value on a recurring basis as of December 31, 2023, and indicate the fair value hierarchy of the valuation techniques used to determine such fair value. The three levels for measuring fair value are based on the reliability of inputs and are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities, such as publicly traded equity securities. Exchange traded funds and mutual funds are valued at the closing price reported in the active markets in which the individual securities are traded.

Level 2 – inputs other than quoted prices included in level 1 that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs other than quoted prices (interest rates, yield curves, etc.) or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability (for example, hedge funds, private equity and other). The community foundation investments are valued based on third-party pricing information without adjustment. The Agency does not develop nor are they provided with quantitative inputs used to develop the fair values.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued

December 31, 2023

Note 11 – Fair Value of Financial Assets - continued:

Financial assets at fair value on a recurring basis at December 31, 2023:

<u>Description</u>	<u>Total</u>	Financial Assets and Liabilities at Fair Value on a Recurring Basis at Reporting Date Using Quoted Prices		
		in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Community foundation	\$ 825,937	-	-	825,937
Exchange traded funds	550,786	550,786	-	-
Mutual funds	608,709	608,709	-	-
Total financial assets	\$ 1,985,432	1,159,495	-	825,937

The following is a reconciliation of the beginning and ending balances for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the period ended December 31, 2023:

<u>Community Foundation</u>
Balance – December 31, 2022
Purchases
Investment return, net
Balance – December 31, 2023

Note 12 – Contingency:

Expenditures incurred by the Agency and the subgrantees are subject to audit and possible disallowances by federal and state agencies. The Agency would be responsible for recovery (reimbursement to the grantor agency) of disallowed amounts incurred by subgrantees if they were not able to repay the amounts disallowed. It is the opinion of management that no grant expenditures would be disallowed.

Note 13 – Subsequent Events:

Subsequent events have been evaluated through September 20, 2024, which is the date the financial statements were available to be issued.

Area Agency on Aging of Pasco-Pinellas, Inc.

Schedule of Expenditures of Federal Awards and State Financial Assistance

Year Ended December 31, 2023

FEDERAL AWARDS:	Federal CFDA Number	Contract Grant Number	Expenditures	Transfers to Subrecipients
U.S. Department of Health and Human Services Passed through the State of Florida Department of Elder Affairs				
Administration for Community Living				
Special Programs for the Aging - Title III, Part D				
Spec Prgrms for the Aging -Title III, Part D I - Disease Prevention and Health Promotion Services 01/01/23-12/31/23	93.043	EA023	183,088	34,900
Spec Prgrms for the Aging -Title III, Part D I - Disease Prevention and Health Promotion Services 09/01/21-09/30/24	93.043	ERP21	46,821	-
Total Special Programs for the Aging - Title III, Part D			<u>229,909</u>	<u>34,900</u>
National Family Caregiver Support -Title III, Part E 01/01/23-12/31/23	93.052	EA023	1,218,779	903,391
National Family Caregiver Support -Title III, Part E 04/01/21-09/30/24	93.052	ERP21	307,611	307,611
Spec Prgrms for the Aging -Title VII, Chapter 3 - Prevention of Elder Abuse, Neglect, and Exploitation 01/01/23-12/31/23	93.041	E7023	21,267	-
Administration for Community Living				
Medicare Enrollment Assistance 9/01/2022-8/31/2023				
Medicare Enrollment Assistance 9/01/2023-8/31/2024	93.071	EB023	134,719	-
	93.071	EB024	61,602	-
			<u>196,321</u>	<u>-</u>
Administration for Community Living				
COVID-19 AND INFLUENZA VACCINE UPTAKE INITIATIVE FOR OLDER ADULTS AND PEOPLE WITH DISABILITIES				
	93.048	0HDRC0007-01-0	<u>128,200</u>	<u>-</u>
			<u>128,200</u>	<u>-</u>
Aging Cluster				
Special Programs for the Aging -Title III Admin 01/01/23-12/31/23	93.044-45	EA023	835,714	-
Special Programs for the Aging - Title III, Part B - Supportive Services and Senior Centers 01/01/23-12/31/23	93.044	EA023	3,439,338	2,487,328
Special Programs for the Aging - Title III, Part C-I - Nutrition Services 01/01/23-12/31/23	93.045	EA023	295,162	295,162
Special Programs for the Aging - Title III, Part C-II - Nutrition Services 01/01/23-12/31/23	93.045	EA023	2,911,767	2,911,767
Special Programs for the Aging -ARP Title III Admin 09/01/2021-09/30/2024	93.044-45	ERP21	392,977	-
Special Programs for the Aging - ARP Title III, Part B - Supportive Services and Senior Centers 09/01/2021-09/30/2024	93.044	ERP21	1,005,471	904,826
Special Programs for the Aging - ARP Title III, Part C-I - Nutrition Services 09/01/21-09/30/24	93.045	ERP21	859,975	859,975
Special Programs for the Aging - ARP Title III, Part C-II - Nutrition Services 09/01/21-09/30/24	93.045	ERP21	463,619	463,619
Passed through the United State Department of Agriculture				
Nutrition Services Incentive Program 01/01/23-12/31/23	93.053	EA023	352,039	352,039
Total Aging Cluster			<u>10,556,062</u>	<u>8,274,716</u>
Total Administration for Community Living			<u>12,658,149</u>	<u>9,520,618</u>
Low-Income Home Energy Assistance Program				
Low-Income Home Energy Assistance Program 04/01/21-06/30/24	93.568	EP021	<u>638,464</u>	<u>576,911</u>
Total Low-Income Home Energy Assistance Program			<u>638,464</u>	<u>576,911</u>
Centers for Medicare and Medicaid Services				
Medical Assistance Program				
Medical Assistance Program 7/01/20-6/30/23	93.778	EX020	138,597	-
Medical Assistance Program 7/01/23-6/30/26	93.778	EX023	125,861	-
Total Medical Assistance Program			<u>264,458</u>	<u>-</u>
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations Program				
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations 04/01/22-03/31/23	93.779	EN022	83,900	-
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations 04/01/23-03/31/24	93.779	EN023	257,700	-
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations 06/01/22-05/31/23	93.048	EG022	36,731	-
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations 06/01/23-05/31/24	93.048	EG023	41,139	-
Total Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations Program			<u>419,470</u>	<u>-</u>
Total Centers for Medicare and Medicaid Services			<u>683,928</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>13,980,541</u>	<u>10,097,529</u>
Total Expenditures of Federal Awards			<u>\$ 13,980,541</u>	<u>10,097,529</u>

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

Area Agency on Aging of Pasco-Pinellas, Inc.

Schedule of Expenditures of Federal Awards and State Financial Assistance - Continued
Year Ended December 31, 2022

STATE FINANCIAL ASSISTANCE:	State CFSA Number	Contract Grant Number	Expenditures	Transfers to Subrecipients
State of Florida Department of Elder Affairs				
State Matching Resources for Federal Programs				
Medical Assistance Program 07/01/20-06/30/23	65.010	EX020	\$ 138,597	-
Medical Assistance Program 7/01/23-6/30/26	65.010	EX023	125,861	-
Total Medical Assistance Program			<u>264,458</u>	-
Community Care for the Elderly Program				
Community Care for the Elderly Program 07/01/22-06/30/23	65.010	EC022	4,967,006	4,637,313
Community Care for the Elderly Program 07/01/23-06/30/24	65.010	EC023	4,471,625	4,070,780
Total Community Care for the Elderly Program			<u>9,438,631</u>	<u>8,708,093</u>
Alzheimer's Respite Services Program				
Alzheimer's Respite Services 07/01/22-06/30/23	65.004	EZ022	2,224,784	2,074,892
Alzheimer's Respite Services 07/01/23-06/30/24	65.004	EZ023	2,031,641	1,876,874
Total Alzheimer's Respite Services Program			<u>4,256,425</u>	<u>3,951,766</u>
Local Services Program				
Local Services Program 07/01/22-06/30/23	65.009	EL022	1,079,436	951,699
Local Services Program 07/01/23-06/30/24	65.009	EL023	66,776	66,776
Total Local Services Program			<u>1,146,212</u>	<u>1,018,475</u>
ARP Enhanced FMAP				
Enhanced Home Care for the Elderly Program 11/01/22-03/31/24	N/A	EE022	1,316,474	-
Total Enhanced Home Care for the Elderly Program				
Home Care for the Elderly Program				
Home Care for the Elderly Program 07/01/22-06/30/23	65.001	EH022	298,734	259,733
Home Care for the Elderly Program 07/01/23-06/30/24	65.001	EH023	348,637	309,636
Total Home Care for the Elderly Program			<u>647,371</u>	<u>569,369</u>
Total Expenditures of State Financial Assistance			<u>\$ 17,069,571</u>	<u>\$ 14,247,703</u>

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

Area Agency on Aging of Pasco-Pinellas, Inc.

**Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance**
December 31, 2023

Note 1 – Basis of Presentation:

The accompanying schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal and state grant activity of the Agency and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with GAAP as applicable to non-profit organizations, and the requirements of the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General of the State of Florida*.

Note 2 – Indirect Cost Rate:

The Agency does not use the 10% de minimis indirect cost rate.

Note 3 – Contingency:

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



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Area Agency on Aging of Pasco-Pinellas, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 20, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

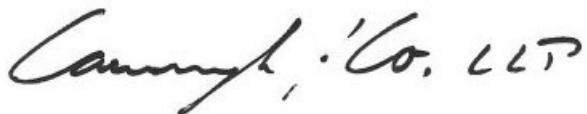
Report on Compliance and Other Matters

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

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Canniff, Co. LLP". The signature is fluid and cursive, with "Canniff" on the first line, a comma on the second line, and "Co. LLP" on the third line.

Sarasota, Florida
September 20, 2024



**INDEPENDENT AUDITOR'S 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 OF THE STATE OF FLORIDA**

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Area Agency on Aging of Pasco-Pinellas, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and Chapter 10.650, Rules of the Auditor General, that could have a direct and material effect on each of Area Agency on Aging of Pasco-Pinellas, Inc.'s major federal programs and state projects for the year ended December 31, 2023. Area Agency on Aging of Pasco-Pinellas, Inc.'s major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Area Agency on Aging of Pasco-Pinellas, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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. Our responsibilities under those standards, the Uniform Guidance and Chapter 10.650, Rules of the Auditor General are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Area Agency on Aging of Pasco-Pinellas, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of Area Agency on Aging of Pasco-Pinellas, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Area Agency on Aging of Pasco-Pinellas, Inc.'s federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Area Agency on Aging of Pasco-Pinellas, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650, Rule of the Auditor General, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Area Agency on Aging of Pasco-Pinellas, Inc.'s compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Area Agency on Aging of Pasco-Pinellas, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 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 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Campbell, Co. LLP". The signature is fluid and cursive, with "Campbell" on the first line, a comma on the second line, "Co." on the third line, and "LLP" on the fourth line.

Sarasota, Florida
September 20, 2024

Area Agency on Aging of Pasco-Pinellas, Inc.

**Schedule of Findings and Questioned Costs -
Federal Awards and State Financial Assistance**
Year Ended December 31, 2023

I. Summary of Auditor's Results

Financial Statements

1. We have audited the financial statements of Area Agency on Aging of Pasco-Pinellas, Inc. as of and for the year ended December 31, 2023 and issued an unmodified opinion.
2. Internal Control over Financial Reporting:
 - A. Material weaknesses identified? No
 - B. Significant deficiencies identified not considered to be a material weakness? No
3. Noncompliance material to the financial statements noted? No

Federal Awards and State Projects

4. Internal Control over Major Programs
 - A. Material weaknesses identified? No
 - B. Significant deficiencies identified not considered to be a material weakness? No
5. The auditor's report on compliance with requirements applicable to the major federal programs and state projects expresses an unmodified opinion.
6. Our audit disclosed no findings required to be reported related to federal programs under section 200.516 Audit findings, paragraph (a), nor did our audit disclose any findings related to state projects required to be disclosed under Chapter 10.656 Rules of the Auditor General
7. The programs/projects tested as major programs/projects included the following:

<u>Federal Program or Cluster</u>	<u>CFDA Number</u>
Department of Health and Human Services	
<u>Aging Cluster:</u>	
Special Programs for the Aging -Title III Admin	93.044-45
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045
Nutrition Services Incentive Program	93.053

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

8. The threshold used for distinguishing Type A and Type B programs was \$750,000 for both major Federal programs and State projects.

Area Agency on Aging of Pasco-Pinellas, Inc.

**Schedule of Findings and Questioned Costs -
Federal Awards and State Financial Assistance - Continued
Year Ended December 31, 2023**

I. Summary of Auditor's Results (*continued*)

9. Area Agency on Aging of Pasco-Pinellas, Inc. qualified as a low-risk auditee under the provisions of Section 200.520, Uniform Guidance.
10. Rules of the Auditor General 10.656(3)(e) - A management letter was not required.
11. Rules of the Auditor General 10.656(3)(d)5 - There were no prior audit findings to be reported.
12. Rules of the Auditor General 10.656(3)(d)6 - No corrective action plan is required because there were no audit findings required to be reported.

II. Findings Related To The Financial Statements Required to be Reported.

None

III. Findings and Questioned Costs for Major Federal Programs and Major State Projects.

None