

COUNCIL ON AGING OF WEST FLORIDA, INC.

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

DECEMBER 31, 2010

COUNCIL ON AGING OF WEST FLORIDA, INC.

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FINANCIAL STATEMENTS

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Saltmarsh

Saltmarsh, Cleaveland & Gund

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Council on Aging of West Florida, Inc.
Pensacola, Florida

We have audited the accompanying statement of financial position of the Council on Aging of West Florida, Inc., (a nonprofit organization), as of December 31, 2010, and the related statements of activities and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Council on Aging of West Florida, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Council on Aging of West Florida, Inc.'s December 31, 2009 financial statements and, in our report dated April 28, 2010, we expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying financial statements were prepared for the purposes of complying with federal and state grantor agency requirements, as described in Note 1, and are not intended to be the general purpose financial statements of the Council on Aging of West Florida, Inc. and are not intended to be a complete presentation of its assets, liabilities, revenues and expenses.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Council on Aging of West Florida, Inc. as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Board of Directors
Council on Aging of West Florida, Inc.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2011, on our consideration of the Council on Aging of West 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The combined and combining schedules of functional expenses on pages 14 through 19 are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal awards and state projects on pages 24 and 25 are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular OMB A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and as required by Chapter 10.650, Rules of the Auditor General, and are 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.



Pensacola, Florida
April 29, 2011

COUNCIL ON AGING OF WEST FLORIDA, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010
With Comparative Totals for 2009

	2010			2009
	Unrestricted	Temporarily Restricted	Total	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 197,954	\$ -	\$ 197,954	\$ 289,362
Investments	112,529	-	112,529	121,513
Grants and local support receivable	545,970	-	545,970	473,696
Prepaid expenses	6,884	-	6,884	7,135
Total current assets	<u>863,337</u>	<u>-</u>	<u>863,337</u>	<u>891,706</u>
Property and Equipment	859,605	-	859,605	884,380
Other Assets	<u>10,678</u>	<u>-</u>	<u>10,678</u>	<u>10,964</u>
Total Assets	<u>\$ 1,733,620</u>	<u>\$ -</u>	<u>\$ 1,733,620</u>	<u>\$ 1,787,050</u>
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Current portion of long-term debt	\$ 23,548	\$ -	\$ 23,548	\$ 21,115
Accounts payable	572,024	-	572,024	397,433
Accrued expenses	59,662	-	59,662	118,680
Deposits	15,636	-	15,636	15,356
Total current liabilities	<u>670,870</u>	<u>-</u>	<u>670,870</u>	<u>552,584</u>
Long-Term Debt	<u>298,032</u>	<u>-</u>	<u>298,032</u>	<u>322,361</u>
Total Liabilities	968,902	-	968,902	874,945
Net Assets	<u>764,718</u>	<u>-</u>	<u>764,718</u>	<u>912,105</u>
Total Liabilities and Net Assets	<u>\$ 1,733,620</u>	<u>\$ -</u>	<u>\$ 1,733,620</u>	<u>\$ 1,787,050</u>

The accompanying notes are an integral
part of these financial statements.

COUNCIL ON AGING OF WEST FLORIDA, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2010
With Comparative Totals for Year Ended December 31, 2009

	2010			2009
	Unrestricted	Temporarily Restricted	Total	Total
Public Support, Gains, and Revenue:				
Public support:				
Grants	\$ 4,891,588	\$ -	\$ 4,891,588	\$ 4,099,303
Local support	191,105	19,818	210,923	266,737
In-kind	468,515	-	468,515	465,449
Total public support	<u>5,551,208</u>	<u>19,818</u>	<u>5,571,026</u>	<u>4,831,489</u>
Revenue:				
Project income	171,051	-	171,051	149,379
Contributions and fundraising	97,547	-	97,547	137,606
Miscellaneous income	19,264	-	19,264	10,376
Total revenue	<u>287,862</u>	<u>-</u>	<u>287,862</u>	<u>297,361</u>
Unrealized gain on investments	10,759	-	10,759	26,314
Net assets released from restrictions	69,818	(69,818)	-	-
Total public support, gains, and revenue	<u>5,919,647</u>	<u>(50,000)</u>	<u>5,869,647</u>	<u>5,155,164</u>
Expenses and Losses:				
Direct program services:				
Non-DOEA programs	1,035,681	-	1,035,681	907,363
Community service programs	1,901,498	-	1,901,498	1,712,335
Social services programs	853,081	-	853,081	786,837
Home service programs	1,702,478	-	1,702,478	1,046,702
Total direct program services	<u>5,492,738</u>	<u>-</u>	<u>5,492,738</u>	<u>4,453,237</u>
Support services:				
Management and general	473,406	-	473,406	471,890
Fundraising	50,890	-	50,890	47,559
Total support services	<u>524,296</u>	<u>-</u>	<u>524,296</u>	<u>519,449</u>
Total expenses	<u>6,017,034</u>	<u>-</u>	<u>6,017,034</u>	<u>4,972,686</u>
Change in Net Assets	(97,387)	(50,000)	(147,387)	182,478
Net Assets:				
Beginning of year	862,105	50,000	912,105	729,627
End of year	<u>\$ 764,718</u>	<u>\$ -</u>	<u>\$ 764,718</u>	<u>\$ 912,105</u>

The accompanying notes are an integral
part of these financial statements.

COUNCIL ON AGING OF WEST FLORIDA, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2010
With Comparative Totals for Year Ended December 31, 2009

	2010	2009
Cash Flows From Operating Activities:		
Change in net assets	\$ (147,387)	\$ 182,478
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities -		
Depreciation	73,858	59,531
Unrealized (gain) loss on investments	(10,759)	(26,314)
Changes in -		
Grants and local support receivable	(72,274)	37,515
Prepaid expenses	251	99
Other assets	286	536
Accounts payable	174,591	(79,526)
Accrued expenses	(59,018)	(33,788)
Deposits	280	582
Net cash (used in) provided by operating activities	(40,172)	141,113
Cash Flows From Investing Activities:		
Proceeds from sales and maturities of investments	20,000	20,000
Purchase of investments	(257)	(79)
Purchase of property and equipment	(49,083)	(42,221)
Net cash used in investing activities	(29,340)	(22,300)
Cash Flows From Financing Activities:		
Principal payments on long-term debt	(21,896)	(22,348)
Net Change in Cash	(91,408)	96,465
Cash at Beginning of Year	289,362	192,897
Cash at End of Year	\$ 197,954	\$ 289,362
Supplemental Disclosure of Cash Flow Information:		
Interest paid	\$ 18,752	\$ 19,941

The accompanying notes are an integral
part of these financial statements.

COUNCIL ON AGING OF WEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose:

The Council on Aging of West Florida, Inc., (the "Council") was incorporated as a Florida not-for-profit corporation in 1972. The Corporation has no paid-in capital or shareholders and the affairs are conducted by the Board of Directors as elected by the general membership of the corporation.

The Council's primary purpose is to assist, encourage and promote the well-being of aging individuals in Escambia County. The Council is funded by grants and contracts with the Northwest Florida Area Agency on Aging, Inc., the State of Florida, Department of Elder Affairs ("DOEA"), Department of Children and Families, the Corporation for National Community Service and the United Way of Escambia County (the "United Way"). The Council also receives local financial support from Escambia County, church groups, civic clubs, program participants, foundations and individuals.

Financially Interrelated Organizations:

Accounting principles generally accepted in the United States of America presume that combined financial statements for financially interrelated organizations are necessary for fair presentation. The Council and the Council on Aging Foundation of West Florida, Inc. (the "Foundation") are financially interrelated organizations as defined by accounting principles generally accepted in the United States of America.

In order to comply with federal and state grantor agency reporting requirements, these financial statements present the financial position and the results of operations of the Council only, and do not include the financial position or results of operations of the Foundation. These financial statements are not intended to be the general purpose financial statements of the Council.

Unaudited financial data for the Foundation as of and for the year ended December 31, 2010 is summarized below:

Assets	\$	77,659
Liabilities	\$	-
Net Assets	\$	77,659
Revenues	\$	7,184
Expenses	\$	-

COUNCIL ON AGING OF WEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation:

The accompanying financial statements of the Council, which are presented on the accrual basis of accounting, have been prepared to focus on the Council as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions.

Federal, state and local amounts received by the Council in advance of the incurrence of allowable costs or performance of services are recorded as refundable advances until such allowable costs are incurred or services are rendered.

Contributions are recognized when a donor makes an unconditional promise to give to the Council. Contributions that are restricted by a donor are reported as increases in temporarily restricted net assets or permanently restricted net assets depending on the nature of the restrictions. When a time restriction expires or a purpose restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Unrestricted net assets represent resources generated from operations, unrestricted donations, and lapse of temporary restrictions and are not subject to donor-imposed stipulations.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents:

Cash and cash equivalents include all highly-liquid investments purchased with an original maturity of ninety days or less.

Investments:

Authorized investments consist of mutual funds carried at fair value based on quoted market prices. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities and changes in net assets.

COUNCIL ON AGING OF WEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants and Local Support Receivable:

Grants and local support receivable are stated at the amount management expects to collect from outstanding balances. When necessary, management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Property and Equipment:

Property and equipment are recorded at cost. Donated property and equipment are recorded at their estimated market value on the date of contribution. Expenditures which equal or exceed \$1,000 that materially increase values, change capacities, or extend useful lives are capitalized. Repairs and maintenance costs are charged to operations when incurred.

Depreciation is computed using the straight-line method. Estimated useful lives of property and equipment range as follows:

Buildings and improvements	10 - 30 years
Furniture, fixtures and equipment	5 - 10 years
Vehicles	5 years

Public Support:

Public support revenue from local governments and government grants is recorded based upon the terms of the grantor allotment which generally provides that revenue is earned when the allowable costs of the specific grant provisions have been incurred or the performance of the services has been rendered. Such revenue is subject to audit by the grantor, and if the examination results in a deficiency of allowable expenses, the Council will be required to refund any deficiencies.

Income Taxes:

The Council is exempt from federal income taxes under Internal Revenue Service Code Section 501(c)(3). As a result, there is no provision for taxes in the accompanying financial statements. With few exceptions, the Council is no longer subject to examination by tax authorities for years before 2007.

Advertising Costs:

Advertising costs are expensed when incurred.

**COUNCIL ON AGING OF WEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-Kind Support:

The Council records various types of in-kind support. Contributed professional services are recognized if the services received create or enhance long-lived assets or require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if the services were not provided by donation. Contributions of tangible assets are recognized at fair market value when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor and are treated as in-kind support for purposes of meeting state matching requirements. The amounts reported in the accompanying financial statements as in-kind support are offset by like amounts included in expenses.

General and Administration Expense Allocation:

Management and general expenses are allocated to various programs based on each program's percentage of direct salaries and wages to total direct salaries and wages.

Facilities Repair and Maintenance Expense Allocation:

Facilities repair and maintenance expenses are allocated to various programs based on each program's percentage of square footage occupied to total square footage of the facility.

Subsequent Events:

Management has evaluated subsequent events through April 29, 2011, which is the date the financial statements were available to be issued.

NOTE 2 - INVESTMENTS

Investments held at December 31, 2010 are listed below:

	<u>Fair Value</u>	<u>Amortized Cost</u>	<u>Unrealized Gain</u>
Mutual funds	\$ 112,529	\$ 89,429	\$ 23,100

COUNCIL ON AGING OF WEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 2 - INVESTMENTS (Continued)

Investment return for the year ended December 31, 2010 is summarized as follows:

Interest income	\$	194	
Unrealized gains		10,759	_____
Net investment return	\$	10,953	_____

NOTE 3 - FAIR VALUE MEASUREMENTS

The Council has adopted ASC 820, *Fair Value Measurements*, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The guidance establishes a fair value hierarchy about the assumptions used to measure fair value and clarifies assumptions about risk and the effect of a restriction on the sale or use of an asset.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Three levels of inputs may be used to measure fair value:

Level 1: Observable inputs such as quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The following table presents the assets carried at fair value as of December 31, 2010:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 112,529	\$ -	\$ -	\$ 112,529

COUNCIL ON AGING OF WEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

Following is a description of the valuation methodologies used for financial instruments measured at fair value:

Mutual funds – Assets are classified as Level 1 as they are traded in an active market for which closing prices are readily available.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Council believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 4 - GRANTS AND LOCAL SUPPORT RECEIVABLE

Grants and local support receivable at December 31, 2010 consist of the following:

Federal grants	\$ 326,399
State grants	194,549
Local support	12,916
Other	<u>12,106</u>
Total	<u><u>\$ 545,970</u></u>

**COUNCIL ON AGING OF WEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Land	\$ 47,197
Buildings and improvements	998,924
Vehicles	98,065
Equipment - general	54,324
Equipment - computers	136,285
Furniture and fixtures	53,495
	<u>1,388,290</u>
Accumulated depreciation	<u>(528,685)</u>
Total	<u><u>\$ 859,605</u></u>

Depreciation expense was \$73,858 for the year ended December 31, 2010.

NOTE 7 - LINE OF CREDIT

The Council has a \$250,000 line of credit available with a financial institution which has no stated expiration date, carries an agreed interest rate of 1% over the financial institution's prime rate, and is secured by deposits held at the financial institution. There were no outstanding borrowings under the line of credit as of December 31, 2010.

NOTE 8 - LONG-TERM DEBT

Long-term debt consists of the following:

Notes payable to bank, due in monthly installments, including interest from 5.13% to 6.5%, through July 2021, secured by property, building, furniture and equipment	\$ 321,580
Less current portion	<u>23,548</u>
	<u><u>\$ 298,032</u></u>

Interest expense for the year ended December 31, 2010 was \$18,752.

**COUNCIL ON AGING OF WEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

NOTE 8 - LONG-TERM DEBT (Continued)

Scheduled maturities on long-term debt are as follows:

2011	\$ 23,548
2012	24,868
2013	26,263
2014	27,737
2015	29,295
Thereafter	<u>189,869</u>
	<u><u>\$ 321,580</u></u>

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Operating Leases:

The Council leases office equipment under operating leases expiring through June 2013. Future minimum lease payments under operating leases at December 31, 2010, are as follows:

2011	\$ 10,922
2012	7,860
2013	<u>3,780</u>
	<u><u>\$ 22,562</u></u>

Dependency on Government Support:

The Council's services are funded primarily with grants from the United States Department of Health and Human Services and the State of Florida passed through the DOEA and the Northwest Florida Area Agency on Aging. A reduction in the level of future support from these agencies could have a substantial effect on the Council's programs and activities. As of December 31, 2010, management is unaware of any such reduction in future support.

SUPPLEMENTARY INFORMATION

COUNCIL ON AGING OF WEST FLORIDA, INC.
COMBINED SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2010
With Comparative Totals for 2009

	Program Expenses				Total Program Expenses	Supporting Services		2010 Total Expenses	2009 Total Expenses
	Non- DOEA Programs	Community Service Programs	Social Service Programs	Home Service Programs		Management and General	Fundraising		
Wages	\$ 169,283	\$ 367,556	\$ 472,906	\$ -	\$ 1,009,745	\$ 387,301	\$ 35,375	\$ 1,432,421	\$ 1,366,528
Employee leasing and benefits	49,271	102,076	140,790	-	292,137	123,534	8,542	424,213	336,092
Travel	10,295	23,623	16,987	-	50,905	9,706	556	61,167	63,591
Education and training	1,148	420	2,002	-	3,570	1,861	-	5,431	5,527
Communications/postage	5,605	17,693	11,014	8	34,320	18,371	2	52,693	54,599
Utilities	2,839	18,473	2,563	46	23,921	9,811	-	33,732	37,371
Printing/supplies	5,571	9,746	5,753	-	21,070	5,801	-	26,871	25,717
Advertising	181	487	558	-	1,226	492	-	1,718	2,977
Insurance	3,314	8,792	3,924	49	16,079	15,065	-	31,144	34,733
Maintenance and repair	741	19,877	2,127	4	22,749	12,577	-	35,326	27,979
Building costs	2,368	19,028	2,409	35	23,840	9,808	-	33,648	36,287
Purchased equipment	3,399	9,926	10,267	11	23,603	15,102	-	38,705	31,105
Professional, legal and accounting	35	412	11,030	-	11,477	34,340	-	45,817	34,515
Volunteer expenses	458,473	231	1	-	458,705	12	-	458,717	365,202
Sub-contractors	80,045	931,075	134	1,625,531	2,636,785	-	-	2,636,785	1,892,647
Program supplies	2,098	10,291	70	-	12,459	465	-	12,924	13,228
Depreciation	-	-	-	-	-	73,858	-	73,858	59,531
Interest expense	-	-	-	-	-	18,752	-	18,752	19,941
In-kind expenses	98,790	62,073	27,084	-	187,947	259,983	-	447,930	438,937
Other expenses	2,136	32,769	8,142	40,567	83,614	55,153	6,415	145,182	126,180
Totals	895,592	1,634,548	717,761	1,666,251	4,914,152	1,051,992	50,890	6,017,034	4,972,686
Allocation of Management and General Expenses	131,902	247,836	128,045	36,094	543,877	(543,877)	-	-	-
Allocation of Facilities and Maintenance Expenses	8,187	19,114	7,275	133	34,709	(34,709)	-	-	-
Total Expenses	\$ 1,035,681	\$ 1,901,498	\$ 853,081	\$ 1,702,478	\$ 5,492,738	\$ 473,406	\$ 50,890	\$ 6,017,034	\$ 4,972,686

**COUNCIL ON AGING OF WEST FLORIDA, INC.
COMBINING SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2010**

	Non-DOEA Programs							Total
	Foster Grandparents	Retired Senior Volunteers	Senior Companions	Senior Companions- Companionship	Senior Companions- Relief	Private Pay Home Delivered Meals	Private Pay Adult Day Health Care	
Wages	\$ 44,483	\$ 47,468	\$ 48,583	\$ 557	\$ 3,781	\$ 9,826	\$ 14,585	\$ 169,283
Employee leasing and benefits	9,569	15,802	15,865	203	1,177	2,541	4,114	49,271
Travel	2,905	2,589	3,589	21	134	797	260	10,295
Education and training	308	493	308	-	-	7	32	1,148
Communications/postage	1,243	2,017	1,304	-	228	443	370	5,605
Utilities	387	884	389	-	91	102	986	2,839
Printing/supplies	2,349	1,276	1,374	1	41	140	390	5,571
Advertising	33	49	49	-	16	18	16	181
Insurance	478	1,038	493	-	118	98	1,089	3,314
Maintenance and repair	122	199	141	-	37	112	130	741
Building costs	311	701	315	-	74	204	763	2,368
Purchased equipment	828	836	922	8	133	357	315	3,399
Professional, legal and accounting	-	-	-	-	-	3	32	35
Volunteer expenses	256,876	9,334	168,291	2,143	21,822	2	5	458,473
Sub-contractors	27,702	-	46,791	-	-	3,796	1,756	80,045
Program supplies	866	135	285	-	-	59	753	2,098
In-kind expenses	51,260	30,879	16,651	-	-	-	-	98,790
Other expenses	272	1,188	253	-	53	95	275	2,136
Totals	399,992	114,888	305,603	2,933	27,705	18,600	25,871	895,592
Allocation of Management and General Expenses	52,002	22,536	38,745	-	7,050	6,206	5,363	131,902
Allocation of Facilities and Maintenance Expenses	1,139	2,599	1,144	-	267	140	2,898	8,187
Total Expenses	\$ 453,133	\$ 140,023	\$ 345,492	\$ 2,933	\$ 35,022	\$ 24,946	\$ 34,132	\$ 1,035,681
Total Units	-	-	-	708	4,536	1,928	958	

COUNCIL ON AGING OF WEST FLORIDA, INC.
COMBINING SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2010
(Continued)

	Community Service Programs							Total
	Congregate Meals	Home Delivered Meals	Nutrition Education	Outreach	Recreation	Transportation	Adult Daycare/ Adult Day Healthcare/ Facility-Based Respite	
Wages	\$ 126,938	\$ 51,620	\$ 10,513	\$ 1,815	\$ 32,286	\$ 22,480	\$ 121,904	\$ 367,556
Employee leasing and benefits	31,932	13,629	2,263	293	11,854	6,138	35,967	102,076
Travel	6,775	11,367	510	25	3,019	883	1,044	23,623
Education and training	59	52	7	-	7	7	288	420
Communications/postage	10,267	3,182	294	19	585	392	2,954	17,693
Utilities	11,414	1,260	22	68	55	63	5,591	18,473
Printing/supplies	3,180	2,613	64	1	191	234	3,463	9,746
Advertising	193	96	17	-	33	17	131	487
Insurance	1,403	647	44	74	121	97	6,406	8,792
Maintenance and repair	16,163	860	53	8	117	87	2,589	19,877
Building costs	11,653	2,766	42	52	75	97	4,343	19,028
Purchased equipment	3,375	2,496	201	25	395	301	3,133	9,926
Professional, legal and accounting	20	18	3	-	3	3	365	412
Volunteer expenses	49	90	1	-	12	12	67	231
Sub-contractors	377,326	482,351	-	-	-	-	71,398	931,075
Program supplies	1,520	536	46	-	1,006	49	7,134	10,291
In-kind expenses	54,107	-	-	-	6,976	370	620	62,073
Other expenses	3,462	1,117	60	19	7,606	14,538	5,967	32,769
Totals	659,836	574,700	14,140	2,399	64,341	45,768	273,364	1,634,548
Allocation of Management and General Expenses	95,989	87,493	2,712	542	9,581	10,424	41,095	247,836
Allocation of Facilities and Maintenance Expenses	858	1,322	38	197	133	133	16,433	19,114
Total Expenses	\$ 756,683	\$ 663,515	\$ 16,890	\$ 3,138	\$ 74,055	\$ 56,325	\$ 330,892	\$ 1,901,498
Total Units	113,819	110,208	9,120	1,697	159,409	5,709	33,332	

COUNCIL ON AGING OF WEST FLORIDA, INC.
COMBINING SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2010
(Continued)

	Social Service Programs								Total
	Case Aid	Case Management	Screening and Assessment	Screening	Caregiver Training	Caregiver Support Group	Gerontological Counseling	Education/ Training	
Wages	\$ 32,376	\$ 369,405	\$ 46,637	\$ 7,521	\$ 3,490	\$ 3,492	\$ 8,579	\$ 1,406	\$ 472,906
Employee leasing and benefits	10,998	109,201	15,146	1,818	575	575	2,182	295	140,790
Travel	407	14,302	1,286	386	153	153	267	33	16,987
Education and training	4	1,972	10	7	2	2	3	2	2,002
Communications/postage	809	8,422	1,140	275	45	42	256	25	11,014
Utilities	220	1,578	603	19	19	19	86	19	2,563
Printing/supplies	176	4,542	228	58	642	27	53	27	5,753
Advertising	49	425	52	16	-	-	16	-	558
Insurance	329	2,686	662	51	30	29	114	23	3,924
Maintenance and repair	154	1,588	269	46	14	13	38	5	2,127
Building costs	187	1,400	683	20	17	16	71	15	2,409
Purchased equipment	706	8,129	973	187	57	51	136	28	10,267
Professional, legal and accounting	33	4,803	100	3	1,012	5,029	33	17	11,030
Volunteer expenses	-	-	-	1	-	-	-	-	1
Sub-contractors	-	-	-	-	-	134	-	-	134
Program supplies	-	-	26	44	-	-	-	-	70
In-kind expenses	-	-	-	-	-	27,084	-	-	27,084
Other expenses	252	7,283	377	60	32	30	85	23	8,142
Totals	46,700	535,736	68,192	10,512	6,088	36,696	11,919	1,918	717,761
Allocation of Management and General Expenses	9,521	98,459	12,292	2,651	1,085	1,326	2,410	301	128,045
Allocation of Facilities and Maintenance Expenses	648	4,639	1,506	57	57	57	254	57	7,275
Total Expenses	\$ 56,869	\$ 638,834	\$ 81,990	\$ 13,220	\$ 7,230	\$ 38,079	\$ 14,583	\$ 2,276	\$ 853,081
Total Units	1,235	8,700	1,732	1,386	27	79	286	1	

COUNCIL ON AGING OF WEST FLORIDA, INC.
COMBINING SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2010
(Continued)

	Home Service Programs							In-Home Respite
	Chore	Companionship	Emergency Alert Response	Escort	Frozen Home Delivered Meals	Homemaker	Material Aide	
Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee leasing and benefits	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-
Education and training	-	-	-	-	-	-	-	-
Communications/postage	-	8	-	-	-	-	-	-
Utilities	-	46	-	-	-	-	-	-
Printing/supplies	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-
Insurance	-	49	-	-	-	-	-	-
Maintenance and repair	-	4	-	-	-	-	-	-
Building costs	-	35	-	-	-	-	-	-
Purchased equipment	-	11	-	-	-	-	-	-
Professional, legal and accounting	-	-	-	-	-	-	-	-
Volunteer expenses	-	-	-	-	-	-	-	-
Sub-contractors	362	380,040	20,057	6,288	12,405	302,721	140	558,382
Program supplies	-	-	-	-	-	-	-	-
In-kind expenses	-	-	-	-	-	-	-	-
Other expenses	-	11	-	-	-	-	39,030	-
Totals	362	380,204	20,057	6,288	12,405	302,721	39,170	558,382
Allocation of Management and General Expenses	-	5,544	-	181	-	6,327	362	9,701
Allocation of Facilities and Maintenance Expenses	-	133	-	-	-	-	-	-
Total Expenses	\$ 362	\$ 385,881	\$ 20,057	\$ 6,469	\$ 12,405	\$ 309,048	\$ 39,532	\$ 568,083
Total Units	18	25,014	23,620	410	2,210	20,385	109	35,256

COUNCIL ON AGING OF WEST FLORIDA, INC.
COMBINING SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2010
(Continued)

	Home Service Programs				Total Program Expenses
	In-Home Respite Consumer Directed	Personal Care	Equipment	Total	
Wages	\$ -	\$ -	\$ -	\$ -	\$ 1,009,745
Employee leasing and benefits	-	-	-	-	292,137
Travel	-	-	-	-	50,905
Education and training	-	-	-	-	3,570
Communications/postage	-	-	-	8	34,320
Utilities	-	-	-	46	23,921
Printing/supplies	-	-	-	-	21,070
Advertising	-	-	-	-	1,226
Insurance	-	-	-	49	16,079
Maintenance and repair	-	-	-	4	22,749
Building costs	-	-	-	35	23,840
Purchased equipment	-	-	-	11	23,603
Professional, legal and accounting	-	-	-	-	11,477
Volunteer expenses	-	-	-	-	458,705
Sub-contractors	26,360	156,765	162,011	1,625,531	2,636,785
Program supplies	-	-	-	-	12,459
In-kind expenses	-	-	-	-	187,947
Other expenses	-	-	1,526	40,567	83,614
Totals	26,360	156,765	163,537	1,666,251	4,914,152
Allocation of Management and General Expenses	1,988	3,435	8,556	36,094	543,877
Allocation of Facilities and Maintenance Expenses	-	-	-	133	34,709
Total Expenses	\$ 28,348	\$ 160,200	\$ 172,093	\$ 1,702,478	\$ 5,492,738
Total Units	2,636	9,006	2,405		

OTHER REPORTS AND SCHEDULES

**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**

Board of Directors
Council on Aging of West Florida, Inc.
Pensacola, Florida

We have audited the financial statements of Council on Aging of West Florida, Inc. (the "Council") as of and for the year ended December 31, 2010, and have issued our report thereon dated April 29, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness the Council's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Board of Directors
Council on Aging of West Florida, Inc.
Pensacola, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors and management of the Council and applicable governmental agencies and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Saltmarsh Cleveland & Lund".

Pensacola, Florida
April 29, 2011

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND STATE PROJECT AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors
Council on Aging of West Florida, Inc.
Pensacola, Florida

Compliance

We have audited the compliance of the Council on Aging of West Florida, Inc. (the "Council") with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, and the requirements described in the *Executive Office of the Governor's State Projects Compliance Supplement*, that could have a direct and material effect on each of the Council's major federal programs and state projects for the year ended December 31, 2010. The Council'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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and state projects is the responsibility of the Council's management. Our responsibility is to express an opinion on the Council's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.650, Rules of the Auditor General. Those standards, OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the Council'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. Our audit does not provide a legal determination of the Council's compliance with those requirements.

Board of Directors
Council on Aging of West Florida, Inc.
Pensacola, Florida

In our opinion, the Council complied, in all material respects, with the 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, 2010.

Internal Control Over Compliance

Management of the Council is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the Council's internal control over compliance with the requirements that could have a direct and material effect on a major federal program and a state project in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council'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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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



Pensacola, Florida
April 29, 2011

**COUNCIL ON AGING OF WEST FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2010**

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Contract / Grant Number	Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through State of Florida Department of Elder Affairs: Child and Adult Care Food Program	10.558	N/A	\$ 12,176
<u>U.S. Department of Housing and Urban Development</u>			
Passed through City of Pensacola: Community Development Block Grant	14.218	N/A	75,435
Passed through Escambia County: Community Development Block Grant	14.218	N/A	50,000
			<u>125,435</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through State of Florida Department of Elder Affairs/ Passed through Northwest Florida Area Agency on Aging: Aging Cluster: Special Programs for the Aging:			
Title III-B, Grants for Supportive Services and Senior Centers	93.044	AA010-E	392,113
Title III-Part C, Nutrition Services	93.045	AA010-E	821,328
Nutrition Services Incentive Program	93.053	AU010-E/AU011-E	101,569
ARRA - Aging Home-Delivered Nutrition Services for States	93.705	AA010-E	1,136
ARRA - Aging Congregate Nutrition Services for States	93.707	AA010-E	81,730
Total Aging Cluster			<u>1,397,876</u>
National Family Caregiver Support	93.052	AA010-E	<u>234,543</u>
<u>Corporation for National and Community Service</u>			
Retired and Senior Volunteer Program	94.002	09SRSFL007	68,673
Foster Grandparents/Senior Companion Cluster:			
Foster Grandparent Program	94.011	09SFSFL001	326,558
Senior Companion Program	94.016	09SCSFL002	204,392
Total Foster Grandparents/Senior Companion Cluster			<u>530,950</u>
Total Federal Awards			<u>\$ 2,369,653</u>

Note: This schedule is presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

**COUNCIL ON AGING OF WEST FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF STATE PROJECTS
YEAR ENDED DECEMBER 31, 2010**

<u>State Grantor/Pass-through Grantor/Project Title</u>	<u>CSFA Number</u>	<u>Contract / Grant Number</u>	<u>Expenditures</u>
<u>Department of Children and Families</u>			
Community Care for Disabled Adults	65.008	N/A	\$ <u>315</u>
<u>State Grants and Aids Appropriations</u>			
Passed through State of Florida Department of Elder Affairs/ Passed through Northwest Florida Area Agency on Aging: Tobacco Settlement Trust Funds:			
Community Care for the Elderly	65.010	AC009-E/AC010-E	\$ 1,166,670
Alzheimers Disease Initiative - Respite Services	65.004	AZ009-E/AZ010-E	348,868
Relief	65.006	AR009-E/AR010-E	<u>32,886</u>
			<u>1,548,424</u>
<u>State Grants and Aids Appropriations</u>			
Passed through State of Florida Department of Elder Affairs/ Passed through Northwest Florida Area Agency on Aging: General Revenues:			
Home Care for the Elderly - Case Management	65.001	AH009-E/AH010-E	12,196
Home Care for the Elderly - Subsidies	65.001	AH009-E/AH010-E	<u>171,366</u>
			<u>183,562</u>
Total State Projects			<u>\$ 1,732,301</u>

Note: This schedule is presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

**COUNCIL ON AGING OF WEST FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
YEAR ENDED DECEMBER 31, 2010**

A. SUMMARY OF AUDIT RESULTS

1. The independent auditor's report expresses an unqualified opinion on the financial statements of the Council on Aging of West Florida, Inc.
2. No significant deficiencies in internal control relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of the Council on Aging of West Florida, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs and state projects are reported in the Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and State Project and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for major federal award programs and state projects for the Council on Aging of West Florida, Inc. expresses an unqualified opinion.
6. There are no audit findings relative to the major federal programs and state projects for the Council on Aging of West Florida, Inc. which are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs/projects were:

Federal Program

Aging Cluster: Special Programs for the Aging

Title III Part B - Grants for Supportive Services and Senior Centers (CFDA No. 93.044).

Title III Part C - Nutrition Services (CFDA No. 93.045).

Nutrition Services Incentive Program (CFDA No. 93.053).

ARRA - Aging Home-Delivered Nutrition Services for States (CFDA No. 93.705).

ARRA - Aging Congregate Nutrition Services for States (CFDA No. 93.707).

Corporation for National and Community Service Cluster:

Foster Grandparent Program (CFDA No. 94.011).

Senior Companion Program (CFDA No. 94.016).

State Project

Community Care for the Elderly (CSFA No. 65.010).

8. The threshold for distinguishing Type A and B programs was \$300,000 for major federal programs and major state projects.

COUNCIL ON AGING OF WEST FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
YEAR ENDED DECEMBER 31, 2010
(Continued)

A. SUMMARY OF AUDIT RESULTS (continued)

9. Council on Aging of West Florida, Inc. was determined to be a low-risk auditee pursuant to OMB Circular A-133.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS

None

D. FINDINGS AND QUESTIONED COSTS - MAJOR STATE PROJECTS

None

**COUNCIL ON AGING OF WEST FLORIDA, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2010**

There were no prior audit findings.