

COUNCIL ON AGING OF WEST FLORIDA, INC.

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

COUNCIL ON AGING OF WEST FLORIDA, INC.

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Council on Aging of West Florida, Inc., (the "Council") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Council as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combined and combining schedules of functional expenses on pages 15 through 20 are presented for purposes of additional analysis rather than to present the results of the individual programs, and are not a required part of the financial statements. The accompanying schedules of expenditures of federal awards and state projects on pages 25 and 26, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and as required by Chapter 10.650, Rules of the Auditor General, are presented for purposes of additional analysis 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2013, on our consideration of the Council'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* in considering the Council's internal control over financial reporting and compliance.



Pensacola, Florida
May 3, 2013

COUNCIL ON AGING OF WEST FLORIDA, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012 AND 2011

ASSETS

	2012	2011
Current Assets:		
Cash and cash equivalents	\$ 284,298	\$ 231,907
Investments	245,815	116,913
Grants and local support receivable	583,079	561,568
Prepaid expenses	1,616	3,742
Total current assets	1,114,808	914,130
 Property and Equipment	 825,061	 791,462
 Other Assets	 5,048	 10,142
 Total Assets	 \$ 1,944,917	 \$ 1,715,734

LIABILITIES AND NET ASSETS

Current Liabilities:		
Current portion of long-term debt	\$ 10,824	\$ 24,868
Accounts payable	494,152	505,722
Accrued expenses	144,187	137,690
Refundable advances	10,420	39,578
Deposits	15,446	15,125
Total current liabilities	675,029	722,983
 Long-Term Debt	 323,951	 273,560
 Total Liabilities	 998,980	 996,543
 Net Assets	 945,937	 719,191
 Total Liabilities and Net Assets	 \$ 1,944,917	 \$ 1,715,734

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

COUNCIL ON AGING OF WEST FLORIDA, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
Public Support, Gains, and Revenue:		
Public support:		
Grants	\$ 4,752,655	\$ 4,284,408
Local support	220,882	192,696
In-kind	373,728	398,963
Total public support	5,347,265	4,876,067
Revenue:		
Project income	192,228	201,443
Contributions and fundraising	185,435	100,454
Special events, less costs of direct benefits to donors of \$27,562 and \$58,096 in 2012 and 2011, respectively	103,003	85,245
Miscellaneous income	39,702	23,059
Total revenue	520,368	410,201
Unrealized gain (loss) on investments	17,676	(7,930)
Total public support, gains, and revenue	5,885,309	5,278,338
Expenses and Losses:		
Direct program services:		
Non-DOEA programs	1,026,808	960,445
Community service programs	1,833,889	1,726,332
Social services programs	825,316	864,819
Home service programs	1,432,128	1,268,400
Total direct program services	5,118,141	4,819,996
Support services:		
Management and general	389,457	395,558
Fundraising	150,965	108,311
Total support services	540,422	503,869
Total expenses	5,658,563	5,323,865
Change in Net Assets	226,746	(45,527)
Net Assets:		
Beginning of year	719,191	764,718
End of year	\$ 945,937	\$ 719,191

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

COUNCIL ON AGING OF WEST FLORIDA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
Cash Flows From Operating Activities:		
Change in net assets	\$ 226,746	\$ (45,527)
Adjustments to reconcile change in net assets to net cash provided by operating activities -		
Depreciation	87,949	78,786
Realized loss on disposition of property and equipment	470	-
Realized gain on sale of investments	(12,657)	-
Unrealized (gain) loss on investments	(17,676)	7,930
Changes in -		
Grants and local support receivable	(21,511)	(15,598)
Prepaid expenses	2,126	3,142
Other assets	5,094	536
Accounts payable	(11,570)	(66,302)
Accrued expenses	6,497	9,391
Refundable advances	(29,158)	39,578
Deposits	321	(511)
Net cash provided by operating activities	236,631	11,425
Cash Flows From Investing Activities:		
Proceeds from sales and maturities of investments	42,648	-
Purchase of investments	(141,217)	(12,314)
Purchase of property and equipment	(122,018)	(10,643)
Net cash used in investing activities	(220,587)	(22,957)
Cash Flows From Financing Activities:		
Proceeds from long-term debt	50,000	-
Principal payments on long-term debt	(13,653)	(23,152)
Net cash provided by (used in) investing activities	36,347	(23,152)
Net Change in Cash	52,391	(34,684)
Cash at Beginning of Year	231,907	266,591
Cash at End of Year	\$ 284,298	\$ 231,907
Supplemental Disclosure of Cash Flow Information:		
Interest paid	\$ 17,207	\$ 17,497
Supplemental Disclosure of Non-Cash Financing Activities		
Refinancing of long-term debt	\$ 292,425	\$ -

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

**COUNCIL ON AGING OF WEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

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.

During 2012, the Foundation contributed \$80,307 to the Council; this amount is included in contributions and fundraising in the statement of activities and changes in net assets.

Unaudited financial data for the Foundation as of and for the years ended December 31, 2012 and 2011 is summarized below:

	2012	2011
Assets	\$ -	\$ 74,486
Liabilities	\$ -	\$ -
Net Assets	\$ -	\$ 74,486
Revenues	\$ 5,581	\$ 1,251
Expenses	\$ 80,307	\$ 4,425

COUNCIL ON AGING OF WEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

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 statements of activities and changes in net assets.

COUNCIL ON AGING OF WEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

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 2009.

Advertising Costs:

Advertising costs are expensed when incurred.

COUNCIL ON AGING OF WEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

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.

Reclassifications:

Reclassifications were made to the 2011 financial statements to conform to the current year presentation.

Subsequent Events:

Management has evaluated subsequent events through May 3, 2013, which is the date the financial statements were available to be issued.

COUNCIL ON AGING OF WEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 2 - INVESTMENTS

Investments held at December 31, 2012 and 2011 are listed below:

	<u>Fair Value</u>	<u>Amortized Cost</u>	<u>Unrealized Gain</u>
December 31, 2012			
Mutual funds	<u>\$ 245,815</u>	<u>\$ 212,887</u>	<u>\$ 32,928</u>
December 31, 2011			
Mutual funds	<u>\$ 116,913</u>	<u>\$ 101,742</u>	<u>\$ 15,171</u>

Investment return for the years ended December 31, 2012 and 2011 are summarized as follows:

	<u>2012</u>	<u>2011</u>
Interest income	\$ 5,356	\$ 2,330
Realized gains	12,657	-
Unrealized gains (losses)	<u>17,676</u>	<u>(7,930)</u>
Net investment return	<u>\$ 35,689</u>	<u>\$ (5,600)</u>

NOTE 3 - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 820, *Fair Value Measurements*, 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.

COUNCIL ON AGING OF WEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

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, 2012 and 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2012				
Mutual funds	<u>\$ 245,815</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 245,815</u>
December 31, 2011				
Mutual funds	<u>\$ 116,913</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,913</u>

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.

COUNCIL ON AGING OF WEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 4 - GRANTS AND LOCAL SUPPORT RECEIVABLE

Grants and local support receivable consists of the following:

	<u>2012</u>	<u>2011</u>
Federal grants	\$ 319,582	\$ 436,271
State grants	225,175	90,860
Local support	16,214	19,905
Other	<u>22,108</u>	<u>14,532</u>
 Total	 <u>\$ 583,079</u>	 <u>\$ 561,568</u>

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>2012</u>	<u>2011</u>
Land	\$ 47,197	\$ 47,197
Buildings and improvements	1,108,531	1,008,159
Vehicles	67,435	67,435
Equipment - general	51,134	54,324
Equipment - computers	89,886	137,694
Furniture and fixtures	<u>67,822</u>	<u>53,495</u>
	1,432,005	1,368,304
Accumulated depreciation	<u>(606,944)</u>	<u>(576,842)</u>
 Total	 <u>\$ 825,061</u>	 <u>\$ 791,462</u>

Depreciation expense was \$87,949 and \$78,786 for the years ended December 31, 2012 and 2011.

NOTE 6 - LINE OF CREDIT

The Council has a line of credit with varying credit limits 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, 2012 and 2011.

**COUNCIL ON AGING OF WEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 7 - LONG-TERM DEBT

Long-term debt consists of the following:

	2012	2011
Note payable to bank, due in monthly installments, including interest at 4.99%, through April 2022, secured by property, building, furniture and equipment	\$ 334,775	\$ 298,428
Less current portion	10,824	24,868
	\$ 323,951	\$ 273,560

Interest expense for the years ended December 31, 2012 and 2011 was \$17,207 and \$17,497, respectively.

Scheduled maturities on long-term debt are as follows:

2013	\$ 10,824
2014	11,339
2015	11,920
2016	12,486
2017	13,168
Thereafter	275,038
	\$ 334,775

NOTE 8 - SIMPLIFIED EMPLOYEE PENSION PLAN

The Council has established a Simplified Employee Pension Plan (“SEP”) covering all employees who have been employed for 36 months of continuous service. The Council contributes 6% of the employee’s salary during the year. The Council’s contributions to the plan for the years ended December 31, 2012 and 2011 were \$72,488 and \$68,829, respectively.

COUNCIL ON AGING OF WEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Operating Leases:

The Council leases office equipment under operating leases expiring through February 2017. Future minimum lease payments under operating leases at December 31, 2012, are as follows:

2013	\$	13,195
2014		9,415
2015		9,011
2016		7,798
2017		<u>1,300</u>
	\$	<u>40,719</u>

Rental expense for the years ended December 31, 2012 and 2011 was \$14,896 and \$5,159, respectively.

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, 2012, 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, 2012
With Comparative Totals for 2011

	Program Expenses				Total Program Expenses	Supporting Services		2012 Total Expenses	2011 Total Expenses
	Non- DOEA Programs	Community Service Programs	Social Service Programs	Home Service Programs		Management and General	Fundraising		
Wages	\$ 136,215	\$ 395,183	\$ 444,605	\$ -	\$ 976,003	\$ 413,096	\$ 66,889	\$ 1,455,988	\$ 1,413,507
Employee leasing and benefits	40,142	104,918	139,014	39	284,113	141,306	14,879	440,298	431,997
Travel	9,193	20,382	17,712	-	47,287	6,902	801	54,990	60,735
Education and training	879	491	2,706	-	4,076	2,557	-	6,633	5,460
Communications/postage	12,300	19,081	9,767	727	41,875	21,688	2,337	65,900	53,688
Utilities	2,060	16,720	2,696	48	21,524	11,353	-	32,877	34,871
Printing/supplies	6,544	10,715	7,587	791	25,637	-	2,156	27,793	21,370
Advertising	563	2,101	454	36	3,154	673	125	3,952	1,942
Insurance	2,727	9,514	3,369	111	15,721	15,400	-	31,121	31,367
Maintenance and repair	1,258	13,835	1,385	110	16,588	10,101	-	26,689	28,463
Building costs	1,609	16,661	2,048	102	20,420	10,557	-	30,977	30,668
Purchased equipment	5,852	7,598	7,662	1,045	22,157	10,755	454	33,366	35,296
Professional, legal and accounting	-	-	710	151	861	22,223	-	23,084	32,829
Volunteer expenses	477,255	1,240	6	733	479,234	-	-	479,234	396,073
Sub-contractors	95,537	944,389	59	1,368,555	2,408,540	-	-	2,408,540	2,146,579
Program supplies	739	12,034	36	-	12,809	124	-	12,933	13,733
Depreciation	-	-	-	-	-	87,949	-	87,949	78,786
Interest expense	-	-	-	-	-	17,207	-	17,207	17,497
In-kind expenses	81,148	29,584	12,328	-	123,060	152,805	58,131	333,996	398,963
Other expenses	3,165	29,701	6,833	2,859	42,558	39,515	2,963	85,036	90,041
Totals	877,186	1,634,147	658,977	1,375,307	4,545,617	964,211	148,735	5,658,563	5,323,865
Allocation of Management and General Expenses	144,557	181,859	159,366	56,544	542,326	(544,450)	2,124	-	-
Allocation of Facilities and Maintenance Expenses	5,065	17,883	6,973	277	30,198	(30,304)	106	-	-
Total Expenses	\$ 1,026,808	\$ 1,833,889	\$ 825,316	\$ 1,432,128	\$ 5,118,141	\$ 389,457	\$ 150,965	\$ 5,658,563	\$ 5,323,865

COUNCIL ON AGING OF WEST FLORIDA, INC.
COMBINING SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2012

	Non-DOEA Programs						Total
	Foster Grandparents	Senior Companions	Senior Companions- Companionship	Senior Companions- Relief	Private Pay Home Delivered Meals	Private Pay Adult Day Health Care	
Wages	\$ 48,952	\$ 53,050	\$ 884	\$ 4,527	\$ 15,898	\$ 12,904	\$ 136,215
Employee leasing and benefits	12,265	18,866	335	1,539	3,946	3,191	40,142
Travel	4,812	3,786	26	124	215	230	9,193
Education and training	432	413	-	-	33	1	879
Communications/postage	6,504	4,941	-	296	268	291	12,300
Utilities	411	413	-	97	1,046	93	2,060
Printing/supplies	3,067	2,377	4	40	903	153	6,544
Advertising	280	210	1	24	41	7	563
Insurance	785	682	-	128	1,071	61	2,727
Maintenance and repair	656	477	-	59	46	20	1,258
Building costs	371	349	-	75	746	68	1,609
Purchased equipment	2,979	2,423	-	189	183	78	5,852
Professional, legal and accounting	-	-	-	-	-	-	-
Volunteer expenses	250,586	195,582	6,181	24,883	10	13	477,255
Sub-contractors	45,606	46,879	-	-	1,248	1,804	95,537
Program supplies	55	6	-	-	654	24	739
In-kind expenses	56,015	25,133	-	-	-	-	81,148
Other expenses	522	402	-	23	2,056	162	3,165
Totals	434,298	355,989	7,431	32,004	28,364	19,100	877,186
Allocation of Management and General Expenses	75,307	54,660	-	6,789	5,360	2,441	144,557
Allocation of Facilities and Maintenance Expenses	991	999	-	233	2,711	131	5,065
Total Expenses	\$ 510,596	\$ 411,648	\$ 7,431	\$ 39,026	\$ 36,435	\$ 21,672	\$ 1,026,808
Total Units	-	1,386	4,868	5,090	1,186	2,047	

COUNCIL ON AGING OF WEST FLORIDA, INC.
COMBINING SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2012
(Continued)

	Community Service Programs							Total
	Congregate Meals	Home Delivered Meals	Nutrition Education	Outreach	Recreation	Transportation	Adult Daycare/ Adult Day Healthcare/ Facility-Based Respite	
Wages	\$ 142,251	\$ 57,972	\$ 11,839	\$ 1,648	\$ 28,198	\$ 19,976	\$ 133,299	\$ 395,183
Employee leasing and benefits	37,981	14,535	2,336	300	6,009	4,713	39,044	104,918
Travel	5,395	10,263	401	29	2,552	846	896	20,382
Education and training	29	23	1	-	3	3	432	491
Communications/postage	10,488	3,065	187	30	613	570	4,128	19,081
Utilities	9,339	1,119	21	71	55	62	6,053	16,720
Printing/supplies	5,961	2,062	17	2	83	64	2,526	10,715
Advertising	190	79	11	2	37	34	1,748	2,101
Insurance	2,118	608	33	73	113	108	6,461	9,514
Maintenance and repair	10,887	241	34	6	113	103	2,451	13,835
Building costs	10,686	822	19	50	54	58	4,972	16,661
Purchased equipment	2,309	1,032	112	19	449	345	3,332	7,598
Professional, legal and accounting	-	-	-	-	-	-	-	-
Volunteer expenses	161	409	1	8	8	8	645	1,240
Sub-contractors	412,145	502,531	-	-	-	-	29,713	944,389
Program supplies	1,073	540	10	-	1,066	165	9,180	12,034
In-kind expenses	11,332	-	-	-	6,813	-	11,439	29,584
Other expenses	2,951	943	7	14	148	17,508	8,130	29,701
Totals	665,296	596,244	15,029	2,252	46,314	44,563	264,449	1,634,147
Allocation of Management and General Expenses	65,671	27,058	3,840	778	12,583	11,780	60,149	181,859
Allocation of Facilities and Maintenance Expenses	803	1,237	36	184	125	125	15,373	17,883
Total Expenses	\$ 731,770	\$ 624,539	\$ 18,905	\$ 3,214	\$ 59,022	\$ 56,468	\$ 339,971	\$ 1,833,889
Total Units	101,932	120,202	7,553	1,144	183,235	4,811	25,717	

COUNCIL ON AGING OF WEST FLORIDA, INC.
COMBINING SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2012
(Continued)

	Social Service Programs								
	Case Aid	Case Management	Screening and Assessment	Screening	Caregiver Training	Caregiver Support Group	Gerontological Counseling	Education/ Training	Total
Wages	\$ 21,116	\$ 352,567	\$ 46,083	\$ 8,682	\$ 3,459	\$ 3,459	\$ 8,033	\$ 1,206	\$ 444,605
Employee leasing and benefits	5,518	111,023	16,729	1,787	588	824	2,303	242	139,014
Travel	294	15,414	1,083	339	133	203	220	26	17,712
Education and training	11	2,630	40	1	2	16	6	-	2,706
Communications/postage	308	7,399	1,244	195	53	403	158	7	9,767
Utilities	234	1,675	615	20	20	20	92	20	2,696
Printing/supplies	364	6,291	592	9	124	147	58	2	7,587
Advertising	14	342	53	12	3	22	8	-	454
Insurance	252	2,243	623	42	25	59	104	21	3,369
Maintenance and repair	42	1,044	160	37	9	66	26	1	1,385
Building costs	167	1,296	447	19	15	23	67	14	2,048
Purchased equipment	580	5,576	966	122	36	271	106	5	7,662
Professional, legal and accounting	-	-	-	-	-	710	-	-	710
Volunteer expenses	-	5	-	1	-	-	-	-	6
Sub-contractors	-	-	-	-	-	59	-	-	59
Program supplies	-	-	29	7	-	-	-	-	36
In-kind expenses	-	-	-	-	-	12,328	-	-	12,328
Other expenses	67	934	190	9	87	5,511	31	4	6,833
Totals	28,967	508,439	68,854	11,282	4,554	24,121	11,212	1,548	658,977
Allocation of Management and General Expenses	4,911	120,661	18,478	3,752	942	7,548	2,944	130	159,366
Allocation of Facilities and Maintenance Expenses	606	4,505	1,409	53	54	54	238	54	6,973
Total Expenses	\$ 34,484	\$ 633,605	\$ 88,741	\$ 15,087	\$ 5,550	\$ 31,723	\$ 14,394	\$ 1,732	\$ 825,316
Total Units	1,184	11,640	1,598	1,090	6	56	156	-	

COUNCIL ON AGING OF WEST FLORIDA, INC.
COMBINING SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2012
(Continued)

	Home Service Programs							In-Home Respite Consumer Directed
	Companionship	Emergency Alert Response	Escort	Frozen Home Delivered Meals	Homemaker	Material Aide	In-Home Respite	
Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee leasing and benefits	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-
Education and training	-	-	-	-	-	-	-	-
Communications/postage	548	-	-	-	-	-	-	-
Utilities	48	-	-	-	-	-	-	-
Printing/supplies	-	-	-	-	-	-	-	-
Advertising	36	-	-	-	-	-	-	-
Insurance	111	-	-	-	-	-	-	-
Maintenance and repair	110	-	-	-	-	-	-	-
Building costs	48	-	-	-	-	-	-	-
Purchased equipment	352	-	-	-	-	-	-	-
Professional, legal and accounting	-	-	-	-	-	-	-	-
Volunteer expenses	-	-	-	-	-	-	-	-
Sub-contractors	252,810	12,441	7,140	2,542	283,226	4,274	522,183	400
Program supplies	-	-	-	-	-	-	-	-
In-kind expenses	-	-	-	-	-	-	-	-
Other expenses	19	-	-	-	-	1,756	-	-
Totals	254,082	12,441	7,140	2,542	283,226	6,030	522,183	400
Allocation of Management and General Expenses	12,111	-	73	-	8,209	5,548	10,200	57
Allocation of Facilities and Maintenance Expenses	117	-	-	-	-	-	-	-
Total Expenses	\$ 266,310	\$ 12,441	\$ 7,213	\$ 2,542	\$ 291,435	\$ 11,578	\$ 532,383	\$ 457
Total Units	16,718	14,938	410	389	18,941	8	32,959	50

COUNCIL ON AGING OF WEST FLORIDA, INC.
COMBINING SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2012
(Continued)

Home Service Programs

	Volunteer	Vendor Chore	Vendor Counseling	Nutritional Counseling	Vendor Pest Control	Personal Care	Equipment	Total	Total Program Expenses
Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 976,003
Employee leasing and benefits	39	-	-	-	-	-	-	39	284,113
Travel	-	-	-	-	-	-	-	-	47,287
Education and training	-	-	-	-	-	-	-	-	4,076
Communications/postage	179	-	-	-	-	-	-	727	41,875
Utilities	-	-	-	-	-	-	-	48	21,524
Printing/supplies	791	-	-	-	-	-	-	791	25,637
Advertising	-	-	-	-	-	-	-	36	3,154
Insurance	-	-	-	-	-	-	-	111	15,721
Maintenance and repair	-	-	-	-	-	-	-	110	16,588
Building costs	54	-	-	-	-	-	-	102	20,420
Purchased equipment	693	-	-	-	-	-	-	1,045	22,157
Professional, legal and accounting	-	-	151	-	-	-	-	151	861
Volunteer expenses	733	-	-	-	-	-	-	733	479,234
Sub-contractors	-	-	-	5,015	-	113,733	164,791	1,368,555	2,408,540
Program supplies	-	-	-	-	-	-	-	-	12,809
In-kind expenses	-	-	-	-	-	-	-	-	123,060
Other expenses	650	54	-	-	380	-	-	2,859	42,558
Totals	3,139	54	151	131,519	380	113,733	164,791	1,375,307	4,545,617
Allocation of Management and General Expenses	350	5	-	66	-	4,639	15,286	56,544	542,326
Allocation of Facilities and Maintenance Expenses	160	-	-	-	-	-	-	277	30,198
Total Expenses	\$ 3,649	\$ 59	\$ 151	\$ 131,585	\$ 380	\$ 118,372	\$ 180,077	\$ 1,432,128	\$ 5,118,141
Total Units		3		88	1	6,626	2,073		

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, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Council on Aging of West Florida, Inc. (the "Council") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 3, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness the Council's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Council'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 the audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council'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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Pensacola, Florida
May 3, 2013

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND STATE PROJECT AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133
AND CHAPTER 10.650 RULES OF THE AUDITOR GENERAL**

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

Report on Compliance for Each Major Federal Program and State Project

We have audited Council on Aging of West Florida, Inc.'s (the "Council") compliance 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, 2012. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditor's Responsibility

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

Opinion on Each Major Federal Program and State Project

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, 2012.

Report on Internal Control Over Compliance

Management of the Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



Pensacola, Florida
May 3, 2013

**COUNCIL ON AGING OF WEST FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2012**

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	Y2003	\$ 9,086
<u>U.S. Department of Housing and Urban Development</u>			
Passed through City of Pensacola:			
Community Development Block Grant	14.218	N/A	64,448
Passed through Escambia County:			
Community Development Block Grant	14.218	N/A	47,000
			<u>111,448</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	AA012-E	335,175
Title III-Part C, Nutrition Services	93.045	AA012-E	868,489
Nutrition Services Incentive Program	93.053	AU012-E/AU013-E	119,693
Total Aging Cluster			<u>1,323,357</u>
National Family Caregiver Support	93.052	AA012-E	163,498
<u>U.S. Department of Homeland Security</u>			
Emergency Food and Shelter National Board Program	97.024	N/A	5,000
<u>Corporation for National and Community Service</u>			
Foster Grandparents/Senior Companion Cluster:			
Foster Grandparent Program	94.011	12SFSFL002	333,917
Senior Companion Program	94.016	12SCSFL002	227,760
Total Foster Grandparents/Senior Companion Cluster			<u>561,677</u>
Total Federal Awards			<u>\$ 2,174,066</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, 2012**

<u>State Grantor/Pass-through Grantor/Project Title</u>	<u>CSFA Number</u>	<u>Contract / Grant Number</u>	<u>Expenditures</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	AC011-E/AC012	\$ 1,121,086
Alzheimer's Disease Initiative - Respite Services	65.004	AZ011-E/AZ012	255,675
Relief	65.006	AR011-E/AR012	36,904
			<u>1,413,665</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	AH011-E/AH012	17,398
Home Care for the Elderly - Subsidies	65.001	AH011-E/AH012	188,469
			<u>205,867</u>
Total State Projects			<u>\$ 1,619,532</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, 2012**

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 For Each Major Program and State Project and on Internal Control Over Compliance Required by OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General.
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 and Chapter 10.656, Rules of the Auditor General.
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).

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

COUNCIL ON AGING OF WEST FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS

None

D. FINDINGS AND QUESTIONED COSTS - MAJOR STATE PROJECTS

None

In accordance with Rules of the Auditor General, Section 10.656(3)(e), no management letter is required because there were no findings required to be reported in the management letter.

**COUNCIL ON AGING OF WEST FLORIDA, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2012**

There were no prior audit findings.

In accordance with Rules of the Auditor General 10.557(3)(d)5 and 10.656(3)(d)6, no summary schedule of prior audit findings is required because there were no prior audit findings related to Federal programs or State projects.