

# Saltmarsh

Saltmarsh, Cleaveland & Gund

*CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS*

**COUNCIL ON AGING OF WEST FLORIDA, INC.**

**PENSACOLA, FLORIDA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020 AND 2019**

**COUNCIL ON AGING OF WEST FLORIDA, INC.**

**PENSACOLA, FLORIDA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020 AND 2019**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

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, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### 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, 2020 and 2019, 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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining schedule of functional expenses is presented for purposes of additional analysis, and is not a required part of the financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and as required by Chapter 10.650, Rules of the Auditor General, are presented for purposes of additional analysis and also are not required parts 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 June 1, 2021, 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  
June 1, 2021

**COUNCIL ON AGING OF WEST FLORIDA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2020 AND 2019**

**ASSETS**

	2020	2019
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 421,850	\$ 664,748
Investments	811,408	852,225
Grants, contracts and local support receivable	665,379	478,717
Prepaid expenses	7,369	3,776
Total current assets	1,906,006	1,999,466
 <b>Property and Equipment</b>	 715,020	 790,586
 <b>Other Assets</b>	 5,048	 5,048
 <b>Total Assets</b>	 \$ 2,626,074	 \$ 2,795,100

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities:</b>		
Current portion of long-term debt	\$ 20,751	\$ 19,889
Current portion of amount due to grantor agency	10,000	20,000
Accounts payable	534,254	552,406
Accrued expenses	160,969	145,861
Deposits	14,426	14,612
Total current liabilities	740,400	752,768
 <b>Other Liabilities:</b>		
Long-term debt, less current portion	400,045	419,517
Amount due to grantor agency, less current portion	-	10,000
Total other liabilities	400,045	429,517
 <b>Total Liabilities</b>	 1,140,445	 1,182,285
 <b>Commitments and Contingencies</b>	 --	 --
 <b>Net Assets Without Donor Restrictions</b>	 1,485,629	 1,612,815
 <b>Total Liabilities and Net Assets</b>	 \$ 2,626,074	 \$ 2,795,100

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, 2020 AND 2019**

	2020	2019
<b>Public Support, Gains, and Revenue:</b>		
Public support:		
Grants	\$ 5,047,746	\$ 4,318,168
Contracts	234,463	582,994
Local support	209,148	213,451
In-kind	187,651	283,011
Total public support	5,679,008	5,397,624
 Gains and Revenue:		
Project income	163,806	320,566
Contributions and fundraising	270,385	302,157
Special events, less costs of direct benefits to donors of \$295 and \$15,852 in 2020 and 2019, respectively	92,097	157,314
Net investment return	118,767	135,958
Miscellaneous income	13,705	18,646
Total gains and revenue	658,760	934,641
 Total public support, gains, and revenue	6,337,768	6,332,265
 <b>Expenses:</b>		
Direct program services:		
Non-DOEA programs	875,402	997,048
Community service programs	2,318,969	2,129,725
Social services programs	384,171	550,559
Home service programs	2,235,536	2,292,057
Total direct program services	5,814,078	5,969,389
 Support services:		
Management and general	440,238	308,604
Fundraising	210,638	264,041
Total support services	650,876	572,645
 Total expenses	6,464,954	6,542,034
 <b>Change in Net Assets</b>	(127,186)	(209,769)
 <b>Net Assets:</b>		
Beginning of year	1,612,815	1,822,584
End of year	\$ 1,485,629	\$ 1,612,815

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

**COUNCIL ON AGING OF WEST FLORIDA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2020**

	Direct Program Services				Total Program Expenses	Support Services		2020 Total Expenses
	Non- DOEA Programs	Community Service Programs	Social Services Programs	Home Service Programs		Management and General	Fundraising	
Wages	\$ 130,230	\$ 414,245	\$ 189,022	\$ 36,057	\$ 769,554	\$ 555,015	\$ 69,361	\$ 1,393,930
Employee leasing and benefits	43,956	110,639	67,444	5,193	227,232	193,996	19,689	440,917
Travel	5,318	18,693	2,907	1,983	28,901	1,076	889	30,866
Education and training	973	171	51	175	1,370	426	652	2,448
Communications/postage	9,837	26,388	9,875	2,893	48,993	34,640	12,549	96,182
Utilities	2,493	17,135	2,570	953	23,151	8,848	1,382	33,381
Printing/supplies	1,626	6,246	1,311	556	9,739	4,429	1,769	15,937
Insurance and licenses	3,998	12,675	4,352	1,202	22,227	19,023	2,021	43,271
Maintenance and repair	983	10,601	152	48	11,784	28,278	69	40,131
Building costs	2,420	17,015	2,494	928	22,857	11,487	1,345	35,689
Purchased equipment	1,935	6,038	2,447	754	11,174	10,165	1,540	22,879
Professional, legal and accounting	494	1,919	508	190	3,111	38,329	276	41,716
Volunteer expenses	393,230	2,161	50	456	395,897	-	-	395,897
Sub-contractors	25,941	1,284,716	-	2,088,846	3,399,503	-	-	3,399,503
Program supplies	1,428	5,900	9	-	7,337	-	-	7,337
Depreciation	-	-	-	-	-	89,455	-	89,455
Interest expense	-	-	-	-	-	18,899	-	18,899
In-kind expenses	16,272	7,487	-	-	23,759	155,947	7,945	187,651
Other expenses	5,046	49,476	2,402	6,126	63,050	95,214	10,601	168,865
<b>Totals</b>	<b>646,180</b>	<b>1,991,505</b>	<b>285,594</b>	<b>2,146,360</b>	<b>5,069,639</b>	<b>1,265,227</b>	<b>130,088</b>	<b>6,464,954</b>
<b>Allocation of Management and General Expenses</b>	<b>219,877</b>	<b>303,443</b>	<b>88,943</b>	<b>85,581</b>	<b>697,844</b>	<b>(773,180)</b>	<b>75,336</b>	<b>-</b>
<b>Allocation of Facilities and Maintenance Expenses</b>	<b>9,345</b>	<b>24,021</b>	<b>9,634</b>	<b>3,595</b>	<b>46,595</b>	<b>(51,809)</b>	<b>5,214</b>	<b>-</b>
<b>Total Expenses</b>	<b>\$ 875,402</b>	<b>\$ 2,318,969</b>	<b>\$ 384,171</b>	<b>\$ 2,235,536</b>	<b>\$ 5,814,078</b>	<b>\$ 440,238</b>	<b>\$ 210,638</b>	<b>\$ 6,464,954</b>

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

**COUNCIL ON AGING OF WEST FLORIDA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2019**

	Direct Program Services				Total Program Expenses	Support Services		2019 Total Expenses
	Non- DOEA Programs	Community Service Programs	Social Services Programs	Home Service Programs		Management and General	Fundraising	
Wages	\$ 123,593	\$ 523,414	\$ 178,714	\$ 29,179	\$ 854,900	\$ 535,474	\$ 64,099	\$ 1,454,473
Employee leasing and benefits	42,057	136,703	65,887	4,376	249,023	197,330	17,030	463,383
Travel	9,077	21,044	8,887	941	39,949	6,834	2,160	48,943
Education and training	715	2,021	1,374	-	4,110	2,047	821	6,978
Communications/postage	7,385	26,618	9,183	2,681	45,867	44,065	7,750	97,682
Utilities	2,847	18,484	2,935	1,090	25,356	10,126	1,581	37,063
Printing/supplies	2,806	7,742	1,244	1,065	12,857	4,862	5,405	23,124
Insurance and licenses	3,794	11,362	3,889	992	20,037	17,962	1,774	39,773
Maintenance and repair	3,482	21,748	138	61	25,429	38,293	67	63,789
Building costs	2,235	16,673	2,291	851	22,050	10,170	1,235	33,455
Purchased equipment	2,695	7,003	2,585	961	13,244	9,292	1,394	23,930
Professional, legal and accounting	13,613	21,043	488	182	35,326	25,705	264	61,295
Volunteer expenses	438,599	1,439	187	1,544	441,769	4	-	441,773
Sub-contractors	65,080	890,106	-	2,155,465	3,110,651	-	-	3,110,651
Program supplies	4,230	17,000	-	368	21,598	-	-	21,598
Depreciation	-	-	-	-	-	90,184	-	90,184
Interest expense	-	-	-	-	-	19,657	-	19,657
In-kind expenses	41,557	15,205	130,282	-	187,044	64,802	31,165	283,011
Other expenses	3,294	70,261	43,521	5,672	122,748	51,144	47,380	221,272
<b>Totals</b>	<b>767,059</b>	<b>1,807,866</b>	<b>451,605</b>	<b>2,205,428</b>	<b>5,231,958</b>	<b>1,127,951</b>	<b>182,125</b>	<b>6,542,034</b>
<b>Allocation of Management and General Expenses</b>	<b>219,639</b>	<b>295,250</b>	<b>88,283</b>	<b>82,647</b>	<b>685,819</b>	<b>(761,961)</b>	<b>76,142</b>	<b>-</b>
<b>Allocation of Facilities and Maintenance Expenses</b>	<b>10,350</b>	<b>26,609</b>	<b>10,671</b>	<b>3,982</b>	<b>51,612</b>	<b>(57,386)</b>	<b>5,774</b>	<b>-</b>
<b>Total Expenses</b>	<b>\$ 997,048</b>	<b>\$ 2,129,725</b>	<b>\$ 550,559</b>	<b>\$ 2,292,057</b>	<b>\$ 5,969,389</b>	<b>\$ 308,604</b>	<b>\$ 264,041</b>	<b>\$ 6,542,034</b>

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, 2020 AND 2019**

	2020	2019
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ (127,186)	\$ (209,769)
Adjustments to reconcile change in net assets to net cash used in operating activities -		
Depreciation	89,455	90,184
Amortization	712	712
Donated assets	-	(30,572)
Realized (gain) loss on investments	(24,826)	3,174
Unrealized gain on investments	(52,238)	(97,001)
Changes in -		
Grants, contracts and local support receivable	(186,662)	75,206
Prepaid expenses	(3,593)	(1,514)
Accounts payable	(18,152)	14,993
Accrued expenses	15,108	21,144
Refundable advances	-	(15,708)
Deposits	(186)	(641)
Amount due to grantor agency	(20,000)	(20,000)
Net cash used in operating activities	(327,568)	(169,792)
<b>Cash Flows From Investing Activities:</b>		
Proceeds from sales and maturities of investments	208,008	212,867
Purchase of investments	(90,127)	(215,344)
Purchase of property and equipment	(13,889)	(39,482)
Net cash provided by (used in) investing activities	103,992	(41,959)
<b>Cash Flows From Financing Activities:</b>		
Principal payments on long-term debt	(19,322)	(18,566)
<b>Net Change in Cash and Cash Equivalents</b>	(242,898)	(230,317)
<b>Cash and Cash Equivalents at Beginning of Year</b>	664,748	895,065
<b>Cash and Cash Equivalents at End of Year</b>	\$ 421,850	\$ 664,748
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Interest paid	\$ 18,899	\$ 19,657
<b>Supplemental Disclosure of Non-Cash Investing Activities:</b>		
Donated assets	\$ -	\$ 30,572

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

**COUNCIL ON AGING OF WEST FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**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 and Santa Rosa 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, the United Way of Escambia County, and Santa Rosa County. The Council also receives local financial support from Escambia County, church groups, civic clubs, program participants, foundations and individuals.

*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 net assets with donor restrictions. When a time restriction expires or a purpose restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions.

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

Net assets without donor restrictions represent resources generated from operations, donations without donor restrictions, and lapse of time or purpose 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.

**COUNCIL ON AGING OF WEST FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*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 and certificates of deposit carried at cost. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities and changes in net assets.

*Grants, Contracts and Local Support Receivable:*

Grants, contracts and local support receivable are stated at the amount management expects to collect from outstanding balances. As of December 31, 2020, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

*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

*Debt Issuance Costs:*

Debt issuance costs are presented as a reduction of the carrying amount of debt and are amortized over the term of the debt using the straight-line method. Amortization of debt issuance costs are reported as interest expense in the statements of activities and changes in net assets.

**COUNCIL ON AGING OF WEST FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*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.

*Advertising Costs:*

Advertising costs are expensed when incurred.

*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 June 1, 2021, 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, 2020 AND 2019**

**NOTE 2 - INVESTMENTS**

Investments held at December 31, 2020 and 2019 are listed below:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Carrying Value
December 31, 2020				
Mutual funds	\$ 665,760	\$ 93,648	\$ -	\$ 759,408
Certificates of deposit	52,000	-	-	52,000
	<u>\$ 717,760</u>	<u>\$ 93,648</u>	<u>\$ -</u>	<u>\$ 811,408</u>
December 31, 2019				
Mutual funds	\$ 628,815	\$ 50,476	\$ (9,066)	\$ 670,225
Certificates of deposit	182,000	-	-	182,000
	<u>\$ 810,815</u>	<u>\$ 50,476</u>	<u>\$ (9,066)</u>	<u>\$ 852,225</u>

At December 31, 2020, no mutual funds were in an unrealized loss position for more than twelve months. Mutual funds with a carrying value of \$236,062 had been in an unrealized loss position for more than twelve months at December 31, 2019.

Investment return for the years ended December 31, 2020 and 2019 are summarized as follows:

	2020	2019
Interest and dividends	\$ 41,703	\$ 42,131
Realized gain (loss)	24,826	(3,174)
Unrealized gain	52,238	97,001
	<u>\$ 118,767</u>	<u>\$ 135,958</u>
Net investment return	<u>\$ 118,767</u>	<u>\$ 135,958</u>

**COUNCIL ON AGING OF WEST FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**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.

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 an entity’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

**COUNCIL ON AGING OF WEST FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)**

The following table presents the assets carried at fair value as of December 31, 2020 and 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2020				
Mutual funds	<u>\$ 759,408</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 759,408</u>
December 31, 2019				
Mutual funds	<u>\$ 670,225</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 670,225</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.

**NOTE 4 - GRANTS, CONTRACTS AND LOCAL SUPPORT RECEIVABLE**

Grants, contracts and local support receivable consists of the following:

	<u>2020</u>	<u>2019</u>
Federal grants	\$ 296,933	\$ 200,741
State grants	280,691	159,899
Contracts	31,504	92,401
Local support	34,584	4,553
Other	<u>21,667</u>	<u>21,123</u>
Total	<u>\$ 665,379</u>	<u>\$ 478,717</u>

**COUNCIL ON AGING OF WEST FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 5 - PROPERTY AND EQUIPMENT**

Property and equipment consists of the following:

	<u>2020</u>	<u>2019</u>
Land	\$ 47,197	\$ 47,197
Buildings and improvements	1,508,487	1,498,071
Vehicles	118,033	118,033
Equipment - general	21,110	21,110
Equipment - computers	51,447	49,235
Furniture and fixtures	64,419	63,157
	<u>1,810,693</u>	<u>1,796,803</u>
Accumulated depreciation	<u>(1,095,673)</u>	<u>(1,006,217)</u>
Total	<u>\$ 715,020</u>	<u>\$ 790,586</u>

Depreciation expense was \$89,455 and \$90,184 for the years ended December 31, 2020 and 2019, respectively.

**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, 2020 and 2019.

**COUNCIL ON AGING OF WEST FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 7 - LONG-TERM DEBT**

Long-term debt consists of the following:

	2020	2019
Note payable to bank, due in monthly installments, including interest at 4.25%, through August 2026, secured by property and building	\$ 425,188	\$ 444,511
Less unamortized debt issuance costs	4,392	5,105
Long-term debt, less unamortized debt issuance costs	420,796	439,406
Less current portion	20,751	19,889
	\$ 400,045	\$ 419,517

Interest expense for the years ended December 31, 2020 and 2019 was \$18,899 and \$19,657, respectively.

Scheduled maturities on long-term debt are as follows:

2021	\$ 20,751
2022	21,649
2023	22,587
2024	23,565
2025	24,589
Thereafter	312,047
	\$ 425,188

**NOTE 8 - AMOUNT DUE TO GRANTOR AGENCY**

A program review by the Corporation for National and Community Services (“CNCS”) found disallowed costs totaling \$60,000 for the Foster Grandparent program. The Council entered into a promissory note with CNCS and agreed to repay the amount in twelve quarterly installments of \$5,000 starting in July 2018 and ending in April 2021.

**COUNCIL ON AGING OF WEST FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 9 - SIMPLIFIED EMPLOYEE PENSION PLAN**

The Council has established a Simplified Employee Pension Plan (“SEP”) covering all employees who have been employed for a specific length of continuous service. The Council contributes 8% of the employee’s salary to the SEP. The Council’s contributions to the SEP for the years ended December 31, 2020 and 2019 were \$101,404 and \$107,164, respectively.

**NOTE 10 - COMMITMENTS AND CONTINGENCIES**

*Operating Leases:*

The Council leases office equipment under an operating lease expiring in December 2024. Future minimum lease payments under the operating lease at December 31, 2020 total \$5,984 each year.

Rental expense for the years ended December 31, 2020 and 2019 was \$6,243 and \$9,340, 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, 2020, management is unaware of any such reduction in future support.

*Depository Risk:*

The Council maintains cash balances with a financial institution and a brokerage firm. Demand deposit accounts are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to certain limits. At December 31, 2020, the Council had \$75,787 held by the financial institution and brokerage firm in excess of insured limits.

*COVID-19:*

During the year ended December 31, 2020, Coronavirus Disease 2019 (“COVID-19”) became a pandemic. The full impact of the COVID-19 outbreak continues to evolve as of the date of the report. As such, it is very uncertain as to the full magnitude that the pandemic will have on the Council. Management is actively monitoring its financial condition, liquidity, operations, and workforce. Given the evolution of the COVID-19 outbreak, the Council is not able to estimate the effects of the outbreak on its results of operations, financial condition, or liquidity.

**COUNCIL ON AGING OF WEST FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 11 - PAYCHECK PROTECTION PROGRAM LOAN**

On June 10, 2020, the Council received loan proceeds in the amount of \$238,538 under the Paycheck Protection Program (“PPP”), established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”). The PPP loan’s principal and accrued interest are forgivable to the extent that the proceeds are used for eligible purposes, subject to certain limitations, and that the Council maintains payroll levels over a twenty-four-week period following the loan date. The loan forgiveness amount may be reduced if the Council terminates employees or reduces salaries during the twenty-four-week period.

The Council has incurred eligible forgivable expenses totaling \$238,538 through December 31, 2020. The Council received its forgiveness notice in February 2021, and as a result recognized \$238,538 as grant revenue for the year ended December 31, 2020.

**NOTE 12 - LIQUIDITY**

The Council’s financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash and cash equivalents	\$ 421,850
Grants, contracts and local support receivable	665,379
Investments appropriate for current use	<u>811,408</u>
	<u>\$ 1,898,637</u>

As part of the Council’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. To help manage unanticipated liquidity needs, the Council has a line of credit with varying credit limits which it could draw upon. Available credit under the line of credit totaled \$689,259 at December 31, 2020.

## **SUPPLEMENTARY INFORMATION**

**COUNCIL ON AGING OF WEST FLORIDA, INC.  
COMBINING SCHEDULE OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2020**

	Non-DOEA Programs					Total
	Foster Grandparents	Senior Companions	Senior Companions- Relief	Private Pay Home Delivered Meals	Private Pay Adult Day Health Care	
Wages	\$ 50,183	\$ 36,892	\$ 18,629	\$ 9,942	\$ 14,584	\$ 130,230
Employee leasing and benefits	14,726	14,479	6,441	2,548	5,762	43,956
Travel	2,715	1,975	440	139	49	5,318
Education and training	206	719	-	-	48	973
Communications/postage	4,877	3,092	231	649	988	9,837
Utilities	515	343	95	27	1,513	2,493
Printing/supplies	749	577	34	12	254	1,626
Insurance and licenses	1,078	740	188	123	1,869	3,998
Maintenance and repair	26	17	5	25	910	983
Building costs	501	334	92	20	1,473	2,420
Purchased equipment	419	284	78	21	1,133	1,935
Professional, legal and accounting	103	68	19	2	302	494
Volunteer expenses	224,527	145,784	22,905	-	14	393,230
Sub-contractors	7,601	12,634	-	3,486	2,220	25,941
Program supplies	-	-	-	-	1,428	1,428
In-kind expenses	9,977	6,295	-	-	-	16,272
Other expenses	3,444	1,146	263	28	165	5,046
<b>Totals</b>	<b>321,647</b>	<b>225,379</b>	<b>49,420</b>	<b>17,022</b>	<b>32,712</b>	<b>646,180</b>
<b>Allocation of Management and General Expenses</b>	<b>108,007</b>	<b>73,908</b>	<b>11,926</b>	<b>4,535</b>	<b>21,501</b>	<b>219,877</b>
<b>Allocation of Facilities and Maintenance Expenses</b>	<b>1,942</b>	<b>1,295</b>	<b>358</b>	<b>43</b>	<b>5,707</b>	<b>9,345</b>
<b>Total Expenses</b>	<b>\$ 431,596</b>	<b>\$ 300,582</b>	<b>\$ 61,704</b>	<b>\$ 21,600</b>	<b>\$ 59,920</b>	<b>\$ 875,402</b>
<b>Total Units</b>	<b>-</b>	<b>-</b>	<b>4,755</b>	<b>3,652</b>	<b>3,312</b>	

**COUNCIL ON AGING OF WEST FLORIDA, INC.**  
**COMBINING SCHEDULE OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2020**  
**(Continued)**

Community Service Programs									
	Congregate Meals	Home Delivered Meals	Nutrition Education	Outreach	Recreation	Senior Farmers Market Nutrition	Transportation	Adult Daycare/ Adult Day Healthcare/ Facility-Based Respite	Total
Wages	\$ 170,123	\$ 74,845	\$ 8,152	\$ 4,460	\$ 31,021	\$ -	\$ 29,828	\$ 95,816	\$ 414,245
Employee leasing and benefits	47,085	16,496	1,427	1,029	6,247	-	6,598	31,757	110,639
Travel	7,107	9,389	171	60	1,427	-	539	-	18,693
Education and training	-	-	-	-	-	-	-	171	171
Communications/postage	12,098	4,429	44	28	1,315	-	1,666	6,808	26,388
Utilities	10,793	748	17	70	97	-	47	5,363	17,135
Printing/supplies	3,264	1,054	14	-	93	-	32	1,789	6,246
Insurance and licenses	2,882	1,386	108	114	408	-	455	7,322	12,675
Maintenance and repair	6,811	491	13	4	53	-	3	3,226	10,601
Building costs	10,989	597	13	68	81	-	46	5,221	17,015
Purchased equipment	775	919	18	52	166	-	91	4,017	6,038
Professional, legal and accounting	722	90	2	14	13	-	9	1,069	1,919
Volunteer expenses	5	2,106	-	-	-	-	-	50	2,161
Sub-contractors	381,294	876,071	-	-	-	-	-	27,351	1,284,716
Program supplies	823	12	-	-	2	-	1	5,062	5,900
In-kind expenses	7,487	-	-	-	-	-	-	-	7,487
Other expenses	3,021	15,059	1	-	41	5,440	22,668	3,246	49,476
<b>Totals</b>	<b>665,279</b>	<b>1,003,692</b>	<b>9,980</b>	<b>5,899</b>	<b>40,964</b>	<b>5,440</b>	<b>61,983</b>	<b>198,268</b>	<b>1,991,505</b>
<b>Allocation of Management and General Expenses</b>	<b>107,167</b>	<b>48,544</b>	<b>3,359</b>	<b>2,016</b>	<b>12,934</b>	<b>-</b>	<b>18,477</b>	<b>110,946</b>	<b>303,443</b>
<b>Allocation of Facilities and Maintenance Expenses</b>	<b>1,371</b>	<b>1,695</b>	<b>34</b>	<b>264</b>	<b>247</b>	<b>-</b>	<b>179</b>	<b>20,231</b>	<b>24,021</b>
<b>Total Expenses</b>	<b>\$ 773,817</b>	<b>\$ 1,053,931</b>	<b>\$ 13,373</b>	<b>\$ 8,179</b>	<b>\$ 54,145</b>	<b>\$ 5,440</b>	<b>\$ 80,639</b>	<b>\$ 329,445</b>	<b>\$ 2,318,969</b>
<b>Total Units</b>	<b>91,356</b>	<b>193,287</b>	<b>8,230</b>	<b>196</b>	<b>3,421</b>	<b>-</b>	<b>675</b>	<b>11,396</b>	

**COUNCIL ON AGING OF WEST FLORIDA, INC.**  
**COMBINING SCHEDULE OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2020**  
**(Continued)**

	Social Services Programs						Total
	Case Aid	Case Management	Screening and Assessment	Screening	Caregiver Support Group	Emergency Aide	
Wages	\$ 4,802	\$ 109,866	\$ 58,276	\$ 16,078	\$ -	\$ -	\$ 189,022
Employee leasing and benefits	1,278	44,141	19,500	2,525	-	-	67,444
Travel	13	1,308	855	731	-	-	2,907
Education and training	1	45	5	-	-	-	51
Communications/postage	51	8,301	1,318	66	139	-	9,875
Utilities	27	2,288	228	27	-	-	2,570
Printing/supplies	11	1,177	96	21	6	-	1,311
Insurance and licenses	58	3,175	896	202	21	-	4,352
Maintenance and repair	1	115	11	25	-	-	152
Building costs	26	2,227	222	19	-	-	2,494
Purchased equipment	25	2,183	218	21	-	-	2,447
Professional, legal and accounting	5	456	45	2	-	-	508
Volunteer expenses	1	45	4	-	-	-	50
In-kind expenses	-	-	-	-	-	-	-
Other expenses	6	549	55	1	617	1,174	2,402
<b>Totals</b>	<b>6,305</b>	<b>175,884</b>	<b>81,730</b>	<b>19,718</b>	<b>783</b>	<b>1,174</b>	<b>285,594</b>
<b>Allocation of Management and General Expenses</b>	<b>1,176</b>	<b>52,912</b>	<b>26,960</b>	<b>6,467</b>	<b>1,428</b>	<b>-</b>	<b>88,943</b>
<b>Allocation of Facilities and Maintenance Expenses</b>	<b>102</b>	<b>8,629</b>	<b>860</b>	<b>43</b>	<b>-</b>	<b>-</b>	<b>9,634</b>
<b>Total Expenses</b>	<b>\$ 7,583</b>	<b>\$ 237,425</b>	<b>\$ 109,550</b>	<b>\$ 26,228</b>	<b>\$ 2,211</b>	<b>\$ 1,174</b>	<b>\$ 384,171</b>
<b>Total Units</b>	<b>40</b>	<b>3,726</b>	<b>887</b>	<b>924</b>	<b>24</b>	<b>-</b>	<b>-</b>

**COUNCIL ON AGING OF WEST FLORIDA, INC.**  
**COMBINING SCHEDULE OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2020**  
**(Continued)**

	Home Service Programs						
	Companionship	Emergency Alert Response	Frozen Home Delivered Meals	Homemaker	Material Aide	In-Home Respite	Volunteer
Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,057
Employee leasing and benefits	-	-	-	-	-	-	5,193
Travel	-	-	-	-	-	-	1,983
Education and training	-	-	-	-	-	-	175
Communications/postage	-	-	-	-	-	-	2,893
Utilities	-	-	-	-	-	-	953
Printing/supplies	-	-	-	-	-	-	556
Insurance and licenses	-	-	-	-	-	-	1,202
Maintenance and repair	-	-	-	-	-	-	48
Building costs	-	-	-	-	-	-	928
Purchased equipment	-	-	-	-	-	-	754
Professional, legal and accounting	-	-	-	-	-	-	190
Volunteer expenses	-	-	-	-	-	-	456
Sub-contractors	520,097	12,939	52,549	319,543	-	795,288	-
Program supplies	-	-	-	-	-	-	-
In-kind expenses	-	-	-	-	-	-	-
Other expenses	-	-	-	-	1,537	-	481
<b>Totals</b>	<b>520,097</b>	<b>12,939</b>	<b>52,549</b>	<b>319,543</b>	<b>1,537</b>	<b>795,288</b>	<b>51,869</b>
<b>Allocation of Management and General Expenses</b>	<b>12,682</b>	<b>-</b>	<b>-</b>	<b>9,490</b>	<b>420</b>	<b>23,768</b>	<b>15,873</b>
<b>Allocation of Facilities and Maintenance Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,595</b>
<b>Total Expenses</b>	<b>\$ 532,779</b>	<b>\$ 12,939</b>	<b>\$ 52,549</b>	<b>\$ 329,033</b>	<b>\$ 1,957</b>	<b>\$ 819,056</b>	<b>\$ 71,337</b>
<b>Total Units</b>	<b>31,290</b>	<b>14,339</b>	<b>-</b>	<b>19,589</b>	<b>20</b>	<b>47,090</b>	<b>-</b>

**COUNCIL ON AGING OF WEST FLORIDA, INC.**  
**COMBINING SCHEDULE OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2020**  
**(Continued)**

	Home Service Programs					Total Direct Program Services	
	Vendor Pest Control	Vendor Chore	Personal Care	Equipment	Other		Total
Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,057	\$ 769,554
Employee leasing and benefits	-	-	-	-	-	5,193	227,232
Travel	-	-	-	-	-	1,983	28,901
Education and training	-	-	-	-	-	175	1,370
Communications/postage	-	-	-	-	-	2,893	48,993
Utilities	-	-	-	-	-	953	23,151
Printing/supplies	-	-	-	-	-	556	9,739
Insurance and licenses	-	-	-	-	-	1,202	22,227
Maintenance and repair	-	-	-	-	-	48	11,784
Building costs	-	-	-	-	-	928	22,857
Purchased equipment	-	-	-	-	-	754	11,174
Professional, legal and accounting	-	-	-	-	-	190	3,111
Volunteer expenses	-	-	-	-	-	456	395,897
Sub-contractors	-	5,178	184,136	199,116	-	2,088,846	3,399,503
Program supplies	-	-	-	-	-	-	7,337
In-kind expenses	-	-	-	-	-	-	23,759
Other expenses	1,446	-	-	-	2,662	6,126	63,050
<b>Totals</b>	1,446	5,178	184,136	199,116	2,662	2,146,360	5,069,639
<b>Allocation of Management and General Expenses</b>	-	-	6,971	16,377	-	85,581	697,844
<b>Allocation of Facilities and Maintenance Expenses</b>	-	-	-	-	-	3,595	46,595
<b>Total Expenses</b>	<u>\$ 1,446</u>	<u>\$ 5,178</u>	<u>\$ 191,107</u>	<u>\$ 215,493</u>	<u>\$ 2,662</u>	<u>\$ 2,235,536</u>	<u>\$ 5,814,078</u>
<b>Total Units</b>	20	293	9,926	3,004	1095		

## **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, 2020, 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 June 1, 2021.

**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  
June 1, 2021

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND STATE PROJECT AND ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE  
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 the Council on Aging of West Florida, Inc.’s (the “Council”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *Executive Office of the Governor’s State Project 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, 2020. 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”); and Chapter 10.650, Rules of the Auditor General. Those standards, the Uniform Guidance and Chapter 10.650, Rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about 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, 2020.

## 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 the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 the Uniform Guidance and Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



Pensacola, Florida  
June 1, 2021

**COUNCIL ON AGING OF WEST FLORIDA, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2020**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Contract / Grant Number</u>	<u>Expenditures</u>
<b><u>U.S. Department of Agriculture</u></b>			
Passed through State of Florida Department of Elder Affairs:			
Senior Farmers Market Nutrition Program	10.576	M1901-6	\$ 5,440
<b><u>U.S. Department of Housing and Urban Development</u></b>			
Passed through City of Pensacola:			
Community Development Block Grant	14.218	N/A	68,611
Passed through Escambia County:			
Community Development Block Grant	14.218	N/A	35,250
			103,861
<b><u>U.S. Department of Treasury</u></b>			
Passed through Escambia County:			
Coronavirus Relief Fund	21.019	N/A	13,106
Passed through Santa Rosa County:			
Coronavirus Relief Fund	21.019	N/A	152,064
			165,170
<b><u>U.S. Department of Health and Human Services</u></b>			
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-Part B, Grants for Supportive Services and Senior Centers	93.044	AA020-E	240,989
CARES Title III-Part B, Grants for Supportive Services and Senior Centers	93.044	ACA20-E	214,476
Title III-Part C, Nutrition Services	93.045	AA020-E	369,555
CARES, Title III-Part C, Nutrition Services	93.045	ACA20-E	617,319
Families First Act, COVID-19 Nutrition Services	93.045	AA020-E	338,490
Nutrition Services Incentive Program	93.053	AA020-E	102,114
Total Aging Cluster			1,882,943
National Family Caregiver Support	93.052	AA020-E	88,346
CARES, Title III-Part E, Caregiver Support Program	93.052	ACA20-E	151,290
<b><u>Corporation for National and Community Service</u></b>			
Foster Grandparents/Senior Companion Cluster:			
Foster Grandparent Program	94.011	18SFSFL001	297,166
Senior Companion Program	94.016	18SCSFL001	209,293
Total Foster Grandparents/Senior Companion Cluster			506,459
<b><u>U.S. Department of Homeland Security</u></b>			
Emergency Food and Shelter National Board Program:	97.024	N/A	17,670
Total Federal Awards			\$ 2,921,179

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

Note: The Council does not have an indirect cost agreement nor use the 10% de minimis indirect cost rate

**COUNCIL ON AGING OF WEST FLORIDA, INC.  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2020**

<u>State Grantor/Pass-through Grantor/Project Title</u>	<u>CSFA Number</u>	<u>Contract / Grant Number</u>	<u>Expenditures</u>
<b><u>State Grants and Aids Appropriations</u></b>			
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	AC020-E	\$ 1,128,677
Alzheimer's Respite Services	65.004	AZ020-E	505,653
Relief	65.006	AR020-E	42,672
			<u>1,677,002</u>
<b><u>State Grants and Aids Appropriations</u></b>			
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	AH020-E	24,582
Home Care for the Elderly - Subsidies	65.001	AH020-E	186,444
			<u>211,026</u>
Total State Financial Assistance			<u>\$ 1,888,028</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, 2020**

**A. SUMMARY OF AUDIT RESULTS**

1. The independent auditor's report expresses an unmodified 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 the Uniform Guidance 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 unmodified 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 2 CFR section 200.516(a) of the Uniform Guidance and Chapter 10.656, Rules of the Auditor General.
7. The programs/projects tested as major were:

**Federal Programs**

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 Projects**

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

8. The threshold for distinguishing Type A and B programs was \$750,000 for major federal programs and \$566,409 for major state projects.
9. Council on Aging of West Florida, Inc. was determined to be a low-risk auditee pursuant to the Uniform Guidance.

**COUNCIL ON AGING OF WEST FLORIDA, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2020**  
**(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, 2020**

There were no prior audit findings.

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