

# Saltmarsh

Saltmarsh, Cleaveland & Gund

*CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS*

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

**PENSACOLA, FLORIDA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021 AND 2020**

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

**PENSACOLA, FLORIDA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021 AND 2020**

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**INDEPENDENT AUDITOR'S REPORT**

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

**Opinion**

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, 2021 and 2020, 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.

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, 2021 and 2020, 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.

**Basis for Opinion**

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

**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 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibility**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

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

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.650, Rules of the Auditor General, are presented for purposes of additional analysis and also 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 25, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



Pensacola, Florida  
May 25, 2022

**COUNCIL ON AGING OF WEST FLORIDA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2021 AND 2020**

**ASSETS**

|  | 2021         | 2020         |
|--|--------------|--------------|
| <b>Current Assets:</b>                         |              |              |
| Cash and cash equivalents                      | \$ 171,287   | \$ 421,850   |
| Investments                                    | 853,596      | 811,408      |
| Grants, contracts and local support receivable | 785,118      | 665,379      |
| Prepaid expenses                               | 5,491        | 7,369        |
| Total current assets                           | 1,815,492    | 1,906,006    |
| <b>Property and Equipment</b>                  | 680,837      | 715,020      |
| <b>Other Assets</b>                            | 5,048        | 5,048        |
| <b>Total Assets</b>                            | \$ 2,501,377 | \$ 2,626,074 |

**LIABILITIES AND NET ASSETS**

|   |              |              |
|---|--------------|--------------|
| <b>Current Liabilities:</b>                     |              |              |
| Current portion of long-term debt               | \$ 16,179    | \$ 20,751    |
| Borrowings under line of credit                 | 55,258       | -            |
| Current portion of amount due to grantor agency | -            | 10,000       |
| Accounts payable                                | 574,678      | 534,254      |
| Accrued expenses                                | 81,039       | 160,969      |
| Deposits  | 14,312       | 14,426       |
| Total current liabilities                       | 741,466      | 740,400      |
| <b>Other Liabilities:</b>                       |              |              |
| Long-term debt, less current portion            | 489,378      | 400,045      |
| <b>Total Liabilities</b>                        | 1,230,844    | 1,140,445    |
| <b>Net Assets Without Donor Restrictions</b>    | 1,270,533    | 1,485,629    |
| <b>Total Liabilities and Net Assets</b>         | \$ 2,501,377 | \$ 2,626,074 |

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, 2021 AND 2020**

|   | 2021         | 2020         |
|---|--------------|--------------|
| <b>Public Support, Gains, and Revenue:</b>  |              |              |
| Public support:   |              |              |
| Grants  | \$ 4,287,011 | \$ 5,047,746 |
| Contracts   | 226,250      | 234,463      |
| Local support   | 229,364      | 209,148      |
| In-kind   | 212,148      | 187,651      |
| Total public support  | 4,954,773    | 5,679,008    |
| <br>Gains and Revenue:  |              |              |
| Project income  | 158,818      | 163,806      |
| Contributions and fundraising   | 304,458      | 270,385      |
| Special events, less costs of direct benefits to donors of<br>\$13,204 and \$295 in 2021 and 2020, respectively | 208,779      | 92,097       |
| Net investment return   | 140,235      | 118,767      |
| Insurance proceeds  | 32,778       | -            |
| Miscellaneous income  | 964          | 13,705       |
| Total gains and revenue   | 846,032      | 658,760      |
| <br>Total public support, gains, and revenue  | 5,800,805    | 6,337,768    |
| <br><b>Expenses:</b>  |              |              |
| Direct program services:  |              |              |
| Non-DOEA programs   | 904,697      | 875,402      |
| Community service programs  | 1,856,454    | 2,318,969    |
| Social services programs  | 374,573      | 384,171      |
| Home service programs   | 2,194,190    | 2,235,536    |
| Total direct program services   | 5,329,914    | 5,814,078    |
| <br>Support services:   |              |              |
| Management and general  | 480,823      | 440,238      |
| Fundraising   | 205,164      | 210,638      |
| Total support services  | 685,987      | 650,876      |
| <br>Total expenses  | 6,015,901    | 6,464,954    |
| <br><b>Change in Net Assets</b>   | (215,096)    | (127,186)    |
| <br><b>Net Assets:</b>  |              |              |
| Beginning of year   | 1,485,629    | 1,612,815    |
| End of year   | \$ 1,270,533 | \$ 1,485,629 |

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, 2021**

|  | Direct Program Services  |                                  |                                |                             | Total<br>Program<br>Expenses | Support Services             |                   | 2021<br>Total<br>Expenses |
|--|--------------------------|----------------------------------|--------------------------------|-----------------------------|------------------------------|------------------------------|-------------------|---------------------------|
|  | Non-<br>DOEA<br>Programs | Community<br>Service<br>Programs | Social<br>Services<br>Programs | Home<br>Service<br>Programs |                              | Management<br>and<br>General | Fundraising       |                           |
| Wages  | \$ 126,063               | \$ 451,907                       | \$ 186,053                     | \$ 34,100                   | \$ 798,123                   | \$ 550,317                   | \$ 68,991         | \$ 1,417,431              |
| Employee leasing and benefits                                | 38,682                   | 105,452                          | 60,183                         | 10,606                      | 214,923                      | 153,064                      | 18,209            | 386,196                   |
| Travel   | 1,335                    | 12,188                           | 2,468                          | 1,481                       | 17,472                       | 1,250                        | 1,642             | 20,364                    |
| Education and training                                       | 858                      | 282                              | 502                            | -                           | 1,642                        | 521                          | 1,390             | 3,553                     |
| Communications/postage                                       | 7,860                    | 28,029                           | 9,323                          | 1,786                       | 46,998                       | 34,215                       | 7,468             | 88,681                    |
| Utilities  | 2,586                    | 17,673                           | 2,678                          | 989                         | 23,926                       | 9,186                        | 1,428             | 34,540                    |
| Printing/supplies  | 1,865                    | 3,287                            | 1,852                          | 81                          | 7,085                        | 3,273                        | 3,137             | 13,495                    |
| Insurance and licenses                                       | 4,702                    | 14,754                           | 5,176                          | 1,573                       | 26,205                       | 22,017                       | 2,431             | 50,653                    |
| Maintenance and repair                                       | 968                      | 10,717                           | 152                            | 30                          | 11,867                       | 15,461                       | 57                | 27,385                    |
| Building costs   | 2,573                    | 14,441                           | 2,677                          | 977                         | 20,668                       | 11,574                       | 1,419             | 33,661                    |
| Purchased equipment  | 2,621                    | 7,744                            | 2,963                          | 439                         | 13,767                       | 7,295                        | 821               | 21,883                    |
| Professional, legal and accounting                           | 69                       | 1,547                            | 50                             | 10                          | 1,676                        | 38,430                       | 48                | 40,154                    |
| Volunteer expenses   | 404,758                  | 530                              | -                              | 533                         | 405,821                      | -                            | 140               | 405,961                   |
| Sub-contractors  | 39,621                   | 815,196                          | -                              | 2,041,937                   | 2,896,754                    | -                            | -                 | 2,896,754                 |
| Program supplies   | 1,266                    | 7,057                            | 59                             | -                           | 8,382                        | -                            | -                 | 8,382                     |
| Depreciation   | -                        | -                                | -                              | -                           | -                            | 90,342                       | -                 | 90,342                    |
| Interest expense   | -                        | -                                | -                              | -                           | -                            | 18,072                       | -                 | 18,072                    |
| In-kind expenses   | 28,305                   | 770                              | -                              | -                           | 29,075                       | 167,307                      | 15,766            | 212,148                   |
| Other expenses   | 13,458                   | 40,430                           | 3,443                          | 18,342                      | 75,673                       | 162,843                      | 7,230             | 245,746                   |
| <b>Totals</b>  | <b>677,590</b>           | <b>1,532,004</b>                 | <b>277,579</b>                 | <b>2,112,884</b>            | <b>4,600,057</b>             | <b>1,285,667</b>             | <b>130,177</b>    | <b>6,015,901</b>          |
| <b>Allocation of Management<br/>and General Expenses</b>     | <b>219,500</b>           | <b>304,924</b>                   | <b>89,110</b>                  | <b>78,380</b>               | <b>691,914</b>               | <b>(762,678)</b>             | <b>70,764</b>     | <b>-</b>                  |
| <b>Allocation of Facilities<br/>and Maintenance Expenses</b> | <b>7,607</b>             | <b>19,526</b>                    | <b>7,884</b>                   | <b>2,926</b>                | <b>37,943</b>                | <b>(42,166)</b>              | <b>4,223</b>      | <b>-</b>                  |
| <b>Total Expenses</b>  | <b>\$ 904,697</b>        | <b>\$ 1,856,454</b>              | <b>\$ 374,573</b>              | <b>\$ 2,194,190</b>         | <b>\$ 5,329,914</b>          | <b>\$ 480,823</b>            | <b>\$ 205,164</b> | <b>\$ 6,015,901</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, 2020**

|  | Direct Program Services  |                                  |                                |                             | Total<br>Program<br>Expenses | Support Services             |                   | 2020<br>Total<br>Expenses |
|--|--------------------------|----------------------------------|--------------------------------|-----------------------------|------------------------------|------------------------------|-------------------|---------------------------|
|  | Non-<br>DOEA<br>Programs | Community<br>Service<br>Programs | Social<br>Services<br>Programs | Home<br>Service<br>Programs |                              | Management<br>and<br>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<br/>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<br/>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.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

|   | 2021         | 2020         |
|---|--------------|--------------|
| <b>Cash Flows From Operating Activities:</b>  |              |              |
| Change in net assets  | \$ (215,096) | \$ (127,186) |
| Adjustments to reconcile change in net assets<br>to net cash used in operating activities - |              |              |
| Depreciation  | 90,342       | 89,455       |
| Amortization  | 4,627        | 712          |
| Realized gain on investments  | (33,211)     | (24,826)     |
| Realized loss on disposal of property   | 876          | -            |
| Unrealized gain on investments  | (10,716)     | (52,238)     |
| Changes in -  |              |              |
| Grants, contracts and local support receivable  | (119,739)    | (186,662)    |
| Prepaid expenses  | 1,878        | (3,593)      |
| Accounts payable  | 40,424       | (18,152)     |
| Accrued expenses  | (79,930)     | 15,108       |
| Deposits  | (114)        | (186)        |
| Amount due to grantor agency  | (10,000)     | (20,000)     |
| Net cash used in operating activities   | (330,659)    | (327,568)    |
| <b>Cash Flows From Investing Activities:</b>  |              |              |
| Proceeds from sales and maturities of investments   | 93,168       | 208,008      |
| Proceeds from sales of property and equipment   | 8,000        | -            |
| Purchase of investments   | (91,429)     | (90,127)     |
| Purchase of property and equipment  | (65,035)     | (13,889)     |
| Net cash provided by (used in) investing activities   | (55,296)     | 103,992      |
| <b>Cash Flows From Financing Activities:</b>  |              |              |
| Borrowings under line of credit   | 55,258       | -            |
| Proceeds from refinance of long-term debt   | 95,008       | -            |
| Principal payments on long-term debt  | (14,874)     | (19,322)     |
| Net cash provided by (used in) financing activities   | 135,392      | (19,322)     |
| <b>Net Change in Cash and Cash Equivalents</b>  | (250,563)    | (242,898)    |
| <b>Cash and Cash Equivalents at Beginning of Year</b>                                       | 421,850      | 664,748      |
| <b>Cash and Cash Equivalents at End of Year</b>   | \$ 171,287   | \$ 421,850   |
| <b>Supplemental Disclosure of Cash Flow Information:</b>                                    |              |              |
| Interest paid   | \$ 18,072    | \$ 18,899    |
| <b>Supplemental Disclosure of Non-Cash Financing Activities:</b>                            |              |              |
| Capitalized loan costs  | \$ 14,049    | \$ -         |
| Refinancing of long-term deb  | \$ 410,942   | \$ -         |

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

**COUNCIL ON AGING OF WEST FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**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, 2021 AND 2020**

**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, 2021, 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, 2021 AND 2020**

**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.

**COUNCIL ON AGING OF WEST FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

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

*Recent Accounting Pronouncements:*

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update No. 2016-02, Leases (Topic 842) (“ASU 2016-02”). The guidance in this topic supersedes the requirements in Accounting Standards Codification Topic 840, Leases. The update will require business entities to recognize lease assets and liabilities on the balance sheet and to disclose key information about leasing arrangements. A lessee would recognize a liability to make lease payments and a right-of-use asset representing its right to use the leased asset for the lease term. ASU 2016-02 is effective for fiscal years beginning after December 15, 2021. Management does not expect adoption of ASU 2016-02 to have a significant impact on the Company’s financial statements.

*Subsequent Events:*

Management has evaluated subsequent events through May 25, 2022, which is the date the financial statements were available to be issued.

**NOTE 2 - INVESTMENTS**

Investments held at December 31, 2021 and 2020 are listed below:

|                         | Amortized<br>Cost | Gross<br>Unrealized<br>Gains | Gross<br>Unrealized<br>Losses | Carrying<br>Value |
|-------------------------|-------------------|------------------------------|-------------------------------|-------------------|
| December 31, 2021       |                   |                              |                               |                   |
| Mutual funds            | \$ 749,232        | \$ 104,364                   | \$ -                          | \$ 853,596        |
| December 31, 2020       |                   |                              |                               |                   |
| Mutual funds            | \$ 665,760        | \$ 93,648                    | \$ -                          | \$ 759,408        |
| Certificates of deposit | 52,000            | -                            | -                             | 52,000            |
| Total                   | \$ 717,760        | \$ 93,648                    | \$ -                          | \$ 811,408        |

At December 31, 2021 and 2020, no mutual funds were in an unrealized loss position for more than twelve months.

**COUNCIL ON AGING OF WEST FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 2 - INVESTMENTS (Continued)**

Investment return for the years ended December 31, 2021 and 2020 are summarized as follows:

|                        | 2021       | 2020       |
|------------------------|------------|------------|
| Interest and dividends | \$ 96,308  | \$ 41,703  |
| Realized gain          | 33,211     | 24,826     |
| Unrealized gain        | 10,716     | 52,238     |
| Net investment return  | \$ 140,235 | \$ 118,767 |

**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, 2021 AND 2020**

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

The following table presents the assets carried at fair value as of December 31, 2021 and 2020:

|                   | Level 1    | Level 2 | Level 3 | Total      |
|-------------------|------------|---------|---------|------------|
| December 31, 2021 |            |         |         |            |
| Mutual funds      | \$ 853,596 | \$ -    | \$ -    | \$ 853,596 |
| December 31, 2020 |            |         |         |            |
| Mutual funds      | \$ 759,408 | \$ -    | \$ -    | \$ 759,408 |

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:

|                | 2021       | 2020       |
|----------------|------------|------------|
| Federal grants | \$ 445,474 | \$ 296,933 |
| State grants   | 258,284    | 280,691    |
| Contracts      | 42,883     | 31,504     |
| Local support  | 9,427      | 34,584     |
| Other          | 29,050     | 21,667     |
| Total          | \$ 785,118 | \$ 665,379 |



**COUNCIL ON AGING OF WEST FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 5 - PROPERTY AND EQUIPMENT**

Property and equipment consists of the following:

|                            | <u>2021</u>           | <u>2020</u>           |
|----------------------------|-----------------------|-----------------------|
| Land                       | \$ 47,197             | \$ 47,197             |
| Buildings and improvements | 1,538,067             | 1,508,487             |
| Vehicles                   | 74,783                | 118,033               |
| Equipment - general        | 21,110                | 21,110                |
| Equipment - computers      | 58,683                | 51,447                |
| Furniture and fixtures     | 64,419                | 64,419                |
|                            | <u>1,804,259</u>      | <u>1,810,693</u>      |
| Accumulated depreciation   | <u>(1,123,422)</u>    | <u>(1,095,673)</u>    |
| <br>Total                  | <br><u>\$ 680,837</u> | <br><u>\$ 715,020</u> |

Depreciation expense was \$90,342 and \$89,455 for the years ended December 31, 2021 and 2020, 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. Borrowings under the line of credit total \$55,528 as of December 31, 2021. There were no outstanding borrowings under the line of credit as of December 31, 2020.

**COUNCIL ON AGING OF WEST FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 7 - LONG-TERM DEBT**

Long-term debt consists of the following:

|   | 2021       | 2020       |
|---|------------|------------|
| Note payable to bank, due in monthly installments, including interest at 4.25%, refinanced in 2021, secured by property and building    | \$ -       | \$ 425,188 |
| Note payable to bank, due in monthly installments, including interest at 4.79%, through November 2026, secured by property and building | 519,372    | -          |
| Less unamortized debt issuance costs  | 13,815     | 4,392      |
| Long-term debt, less unamortized debt issuance costs  | 505,557    | 420,796    |
| Less current portion  | 16,179     | 20,751     |
|   | \$ 489,378 | \$ 400,045 |

Interest expense for the years ended December 31, 2021 and 2020 was \$18,072 and \$18,899, respectively.

Scheduled maturities on long-term debt are as follows:

|      |            |
|------|------------|
| 2022 | \$ 16,179  |
| 2023 | 16,973     |
| 2024 | 17,740     |
| 2025 | 18,676     |
| 2026 | 449,804    |
|      | \$ 519,372 |

**COUNCIL ON AGING OF WEST FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 8 - 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 contributed 8% of the employee’s salary to the SEP in 2020. Beginning in 2021, the Council contributes 6% of the employee’s salary to the SEP. The Council’s contributions to the SEP for the years ended December 31, 2021 and 2020 were \$81,433 and \$101,404, respectively.

**NOTE 9 - 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, 2021 total \$5,984 each year.

Rental expense for the years ended December 31, 2021 and 2020 was \$5,408 and \$6,243, 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, 2021, 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, 2021, the Council had no balances 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, 2021 AND 2020**

**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 incurred eligible forgivable expenses totaling \$238,538 through December 31, 2020. The Council received its forgiveness notice in February 2021 and 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                      | \$ 171,287          |
| Grants, contracts and local support receivable | 785,118             |
| Investments appropriate for current use        | <u>853,596</u>      |
|  | <u>\$ 1,810,001</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 \$532,160 at December 31, 2021.

**SUPPLEMENTARY INFORMATION**

**COUNCIL ON AGING OF WEST FLORIDA, INC.  
COMBINING SCHEDULE OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2021**

|  | Non-DOEA Programs      |                      |                                 |  |   | Total             |
|--|------------------------|----------------------|---------------------------------|--|---|-------------------|
|  | Foster<br>Grandparents | Senior<br>Companions | Senior<br>Companions-<br>Relief | Private Pay<br>Home Delivered<br>Meals | Private Pay<br>Adult Day<br>Health Care |                   |
| Wages  | \$ 49,236              | \$ 33,847            | \$ 16,206                       | \$ 9,814                               | \$ 16,960                               | \$ 126,063        |
| Employee leasing and benefits                                | 13,482                 | 12,925               | 4,679                           | 2,633                                  | 4,963                                   | 38,682            |
| Travel   | 514                    | 461                  | 255                             | 75                                     | 30                                      | 1,335             |
| Education and training                                       | 795                    | 53                   | -                               | 2                                      | 8                                       | 858               |
| Communications/postage                                       | 3,343                  | 2,487                | 462                             | 606                                    | 962                                     | 7,860             |
| Utilities  | 534                    | 356                  | 98                              | 28                                     | 1,570                                   | 2,586             |
| Printing/supplies  | 791                    | 898                  | 68                              | 11                                     | 97                                      | 1,865             |
| Insurance and licenses                                       | 1,240                  | 849                  | 218                             | 129                                    | 2,266                                   | 4,702             |
| Maintenance and repair                                       | 42                     | 29                   | 7                               | 17                                     | 873                                     | 968               |
| Building costs   | 542                    | 362                  | 100                             | 24                                     | 1,545                                   | 2,573             |
| Purchased equipment  | 1,086                  | 772                  | 97                              | 129                                    | 537                                     | 2,621             |
| Professional, legal and accounting                           | 31                     | 22                   | 2                               | 2                                      | 12                                      | 69                |
| Volunteer expenses   | 223,874                | 151,814              | 29,065                          | -                                      | 5                                       | 404,758           |
| Sub-contractors  | 15,423                 | 17,371               | -                               | 3,987                                  | 2,840                                   | 39,621            |
| Program supplies   | -                      | -                    | -                               | 1                                      | 1,265                                   | 1,266             |
| In-kind expenses   | 17,680                 | 10,625               | -                               | -                                      | -                                       | 28,305            |
| Other expenses   | 8,816                  | 4,523                | -                               | 22                                     | 97                                      | 13,458            |
| <b>Totals</b>  | <b>337,429</b>         | <b>237,394</b>       | <b>51,257</b>                   | <b>17,480</b>                          | <b>34,030</b>                           | <b>677,590</b>    |
| <b>Allocation of Management<br/>and General Expenses</b>     | <b>105,327</b>         | <b>75,023</b>        | <b>11,876</b>                   | <b>4,505</b>                           | <b>22,769</b>                           | <b>219,500</b>    |
| <b>Allocation of Facilities<br/>and Maintenance Expenses</b> | <b>1,581</b>           | <b>1,054</b>         | <b>291</b>                      | <b>35</b>                              | <b>4,646</b>                            | <b>7,607</b>      |
| <b>Total Expenses</b>  | <b>\$ 444,337</b>      | <b>\$ 313,471</b>    | <b>\$ 63,424</b>                | <b>\$ 22,020</b>                       | <b>\$ 61,445</b>                        | <b>\$ 904,697</b> |
| <b>Total Units</b>   | <b>-</b>               | <b>-</b>             | <b>6,466</b>                    | <b>3,919</b>                           | <b>1,215</b>                            |                   |

**COUNCIL ON AGING OF WEST FLORIDA, INC.**  
**COMBINING SCHEDULE OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2021**  
**(Continued)**

*Community Service Programs*

|  | Congregate<br>Meals | Home<br>Delivered<br>Meals | Nutrition<br>Education | Outreach        | Recreation       | Senior<br>Farmers Market<br>Nutrition | Transportation   | Adult Daycare/<br>Adult Day<br>Healthcare/<br>Facility-Based<br>Respite | Total               |
|--|---------------------|----------------------------|------------------------|-----------------|------------------|---------------------------------------|------------------|---|---------------------|
| Wages  | \$ 165,654          | \$ 80,271                  | \$ 8,915               | \$ 5,642        | \$ 30,434        | \$ -                                  | \$ 29,094        | \$ 131,897  | \$ 451,907          |
| Employee leasing and benefits                                | 43,618              | 19,106                     | 1,806                  | 1,185           | 6,038            | -                                     | 6,737            | 26,962  | 105,452             |
| Travel   | 6,119               | 4,294                      | 84                     | 42              | 1,193            | -                                     | 456              | -   | 12,188              |
| Education and training                                       | 59                  | 50                         | 1                      | -               | 129              | -                                     | 6                | 37  | 282                 |
| Communications/postage                                       | 13,429              | 5,160                      | 85                     | 28              | 1,155            | -                                     | 1,631            | 6,541   | 28,029              |
| Utilities  | 11,068              | 814                        | 16                     | 73              | 86               | -                                     | 49               | 5,567   | 17,673              |
| Printing/supplies  | 2,027               | 630                        | 5                      | -               | 27               | -                                     | 36               | 562   | 3,287               |
| Insurance and licenses                                       | 3,290               | 1,549                      | 113                    | 135             | 423              | -                                     | 471              | 8,773   | 14,754              |
| Maintenance and repair                                       | 6,091               | 277                        | 11                     | 4               | 38               | -                                     | 26               | 4,270   | 10,717              |
| Building costs   | 8,042               | 665                        | 16                     | 73              | 84               | -                                     | 62               | 5,499   | 14,441              |
| Purchased equipment  | 2,785               | 1,633                      | 98                     | 51              | 351              | -                                     | 385              | 2,441   | 7,744               |
| Professional, legal and accounting                           | 1,449               | 22                         | 2                      | 1               | 8                | -                                     | 9                | 56  | 1,547               |
| Volunteer expenses   | 216                 | 279                        | -                      | -               | 10               | -                                     | -                | 25  | 530                 |
| Sub-contractors  | 349,544             | 424,104                    | -                      | -               | -                | -                                     | -                | 41,548  | 815,196             |
| Program supplies   | 889                 | 23                         | -                      | -               | 2                | -                                     | 3                | 6,140   | 7,057               |
| In-kind expenses   | 770                 | -                          | -                      | -               | -                | -                                     | -                | -   | 770                 |
| Other expenses   | 1,258               | 132                        | 1                      | -               | 104              | 10,800                                | 23,562           | 4,573   | 40,430              |
| <b>Totals</b>  | <b>616,308</b>      | <b>539,009</b>             | <b>11,153</b>          | <b>7,234</b>    | <b>40,082</b>    | <b>10,800</b>                         | <b>62,527</b>    | <b>244,891</b>  | <b>1,532,004</b>    |
| <b>Allocation of Management<br/>and General Expenses</b>     | <b>100,167</b>      | <b>48,732</b>              | <b>3,276</b>           | <b>2,048</b>    | <b>12,449</b>    | <b>-</b>                              | <b>20,558</b>    | <b>117,694</b>  | <b>304,924</b>      |
| <b>Allocation of Facilities<br/>and Maintenance Expenses</b> | <b>1,116</b>        | <b>1,380</b>               | <b>28</b>              | <b>215</b>      | <b>173</b>       | <b>-</b>                              | <b>146</b>       | <b>16,468</b>   | <b>19,526</b>       |
| <b>Total Expenses</b>  | <b>\$ 717,591</b>   | <b>\$ 589,121</b>          | <b>\$ 14,457</b>       | <b>\$ 9,497</b> | <b>\$ 52,704</b> | <b>\$ 10,800</b>                      | <b>\$ 83,231</b> | <b>\$ 379,053</b>   | <b>\$ 1,856,454</b> |
| <b>Total Units</b>   | <b>77,853</b>       | <b>101,587</b>             | <b>5,224</b>           | <b>71</b>       | <b>3,654</b>     | <b>-</b>                              | <b>797</b>       | <b>8,321</b>  |                     |

**COUNCIL ON AGING OF WEST FLORIDA, INC.**  
**COMBINING SCHEDULE OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2021**  
**(Continued)**

|  | Social Services Programs |                 |                    |                                |                  |                               |                   | Total             |
|--|--------------------------|-----------------|--------------------|--------------------------------|------------------|-------------------------------|-------------------|-------------------|
|  | Telephone<br>Reassurance | Case<br>Aide    | Case<br>Management | Screening<br>and<br>Assessment | Screening        | Caregiver<br>Support<br>Group | Emergency<br>Aide |                   |
| Wages  | \$ -                     | \$ 4,243        | \$ 109,738         | \$ 56,908                      | \$ 15,164        | \$ -                          | \$ -              | \$ 186,053        |
| Employee leasing and benefits                                | -                        | 1,007           | 39,194             | 17,389                         | 2,593            | -                             | -                 | 60,183            |
| Travel   | -                        | 6               | 1,106              | 1,010                          | 346              | -                             | -                 | 2,468             |
| Education and training                                       | -                        | 5               | 450                | 45                             | 2                | -                             | -                 | 502               |
| Communications/postage                                       | 788                      | 54              | 6,666              | 1,360                          | 157              | 298                           | -                 | 9,323             |
| Utilities  | 222                      | 28              | 2,155              | 237                            | 25               | 11                            | -                 | 2,678             |
| Printing/supplies  | -                        | 17              | 1,674              | 149                            | 9                | 3                             | -                 | 1,852             |
| Insurance and licenses                                       | 412                      | 68              | 3,466              | 989                            | 209              | 32                            | -                 | 5,176             |
| Maintenance and repair                                       | 12                       | 2               | 72                 | 45                             | 20               | 1                             | -                 | 152               |
| Building costs   | 219                      | 29              | 2,137              | 256                            | 25               | 11                            | -                 | 2,677             |
| Purchased equipment  | 160                      | 41              | 1,871              | 686                            | 188              | 17                            | -                 | 2,963             |
| Professional, legal and accounting                           | 4                        | 1               | 25                 | 16                             | 4                | -                             | -                 | 50                |
| Volunteer expenses   | -                        | -               | -                  | -                              | -                | -                             | -                 | -                 |
| In-kind expenses   | -                        | -               | -                  | -                              | -                | -                             | -                 | -                 |
| Other expenses   | -                        | 3               | 225                | 22                             | 2                | 720                           | 2,471             | 3,443             |
| <b>Totals</b>  | <b>1,817</b>             | <b>5,505</b>    | <b>168,831</b>     | <b>79,117</b>                  | <b>18,745</b>    | <b>1,093</b>                  | <b>2,471</b>      | <b>277,579</b>    |
| <b>Allocation of Management<br/>and General Expenses</b>     | <b>6,552</b>             | <b>1,229</b>    | <b>46,603</b>      | <b>26,946</b>                  | <b>6,388</b>     | <b>1,392</b>                  | <b>-</b>          | <b>89,110</b>     |
| <b>Allocation of Facilities<br/>and Maintenance Expenses</b> | <b>700</b>               | <b>83</b>       | <b>6,331</b>       | <b>700</b>                     | <b>35</b>        | <b>35</b>                     | <b>-</b>          | <b>7,884</b>      |
| <b>Total Expenses</b>  | <b>\$ 9,069</b>          | <b>\$ 6,817</b> | <b>\$ 221,765</b>  | <b>\$ 106,763</b>              | <b>\$ 25,168</b> | <b>\$ 2,520</b>               | <b>\$ 2,471</b>   | <b>\$ 374,573</b> |
| <b>Total Units</b>   | <b>533</b>               | <b>4</b>        | <b>3,240</b>       | <b>130</b>                     | <b>777</b>       | <b>34</b>                     | <b>-</b>          |                   |



**COUNCIL ON AGING OF WEST FLORIDA, INC.**  
**COMBINING SCHEDULE OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2021**  
**(Continued)**

Home Service Programs

|  | Companionship     | Emergency<br>Alert<br>Response | Frozen Home<br>Delivered<br>Meals | Homemaker         | Material Aide    | In-Home<br>Respite | Volunteer        |
|--|-------------------|--------------------------------|-----------------------------------|-------------------|------------------|--------------------|------------------|
| Wages  | \$ -              | \$ -                           | \$ -                              | \$ -              | \$ -             | \$ -               | \$ 34,100        |
| Employee leasing and benefits                                | -                 | -                              | -                                 | -                 | -                | -                  | 10,606           |
| Travel   | -                 | -                              | -                                 | -                 | -                | -                  | 1,481            |
| Education and training                                       | -                 | -                              | -                                 | -                 | -                | -                  | -                |
| Communications/postage                                       | -                 | -                              | -                                 | -                 | -                | -                  | 1,786            |
| Utilities  | -                 | -                              | -                                 | -                 | -                | -                  | 989              |
| Printing/supplies  | -                 | -                              | -                                 | -                 | -                | -                  | 81               |
| Insurance and licenses                                       | -                 | -                              | -                                 | -                 | -                | -                  | 1,573            |
| Maintenance and repair                                       | -                 | -                              | -                                 | -                 | -                | -                  | 30               |
| Building costs   | -                 | -                              | -                                 | -                 | -                | -                  | 977              |
| Purchased equipment  | -                 | -                              | -                                 | -                 | -                | -                  | 439              |
| Professional, legal and accounting                           | -                 | -                              | -                                 | -                 | -                | -                  | 10               |
| Volunteer expenses   | -                 | -                              | -                                 | -                 | -                | -                  | 533              |
| Sub-contractors  | 479,434           | 12,551                         | 40,388                            | 234,020           | -                | 888,332            | -                |
| Program supplies   | -                 | -                              | -                                 | -                 | -                | -                  | -                |
| In-kind expenses   | -                 | -                              | -                                 | -                 | -                | -                  | -                |
| Other expenses   | -                 | -                              | -                                 | -                 | 13,079           | -                  | 119              |
| <b>Totals</b>  | <b>479,434</b>    | <b>12,551</b>                  | <b>40,388</b>                     | <b>234,020</b>    | <b>13,079</b>    | <b>888,332</b>     | <b>52,724</b>    |
| <b>Allocation of Management<br/>and General Expenses</b>     | <b>8,026</b>      | <b>-</b>                       | <b>-</b>                          | <b>6,470</b>      | <b>1,147</b>     | <b>15,725</b>      | <b>19,083</b>    |
| <b>Allocation of Facilities<br/>and Maintenance Expenses</b> | <b>-</b>          | <b>-</b>                       | <b>-</b>                          | <b>-</b>          | <b>-</b>         | <b>-</b>           | <b>2,926</b>     |
| <b>Total Expenses</b>  | <b>\$ 487,460</b> | <b>\$ 12,551</b>               | <b>\$ 40,388</b>                  | <b>\$ 240,490</b> | <b>\$ 14,226</b> | <b>\$ 904,057</b>  | <b>\$ 74,733</b> |
| <b>Total Units</b>   | <b>28,406</b>     | <b>13,780</b>                  | <b>-</b>                          | <b>14,100</b>     | <b>201</b>       | <b>51,600</b>      | <b>-</b>         |

**COUNCIL ON AGING OF WEST FLORIDA, INC.**  
**COMBINING SCHEDULE OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2021**  
**(Continued)**

|  | Home Service Programs            |                 |                   |                   |                 | Total               | Total<br>Direct<br>Program<br>Services |
|--|----------------------------------|-----------------|-------------------|-------------------|-----------------|---------------------|--|
|  | Vendor<br>Shopping<br>Assistance | Vendor<br>Chore | Personal Care     | Equipment         | Other           |                     |  |
| Wages  | \$ -                             | \$ -            | \$ -              | \$ -              | \$ -            | \$ 34,100           | \$ 798,123                             |
| Employee leasing and benefits                                | -                                | -               | -                 | -                 | -               | 10,606              | 214,923                                |
| Travel   | -                                | -               | -                 | -                 | -               | 1,481               | 17,472                                 |
| Education and training                                       | -                                | -               | -                 | -                 | -               | -                   | 1,642                                  |
| Communications/postage                                       | -                                | -               | -                 | -                 | -               | 1,786               | 46,998                                 |
| Utilities  | -                                | -               | -                 | -                 | -               | 989                 | 23,926                                 |
| Printing/supplies  | -                                | -               | -                 | -                 | -               | 81                  | 7,085                                  |
| Insurance and licenses                                       | -                                | -               | -                 | -                 | -               | 1,573               | 26,205                                 |
| Maintenance and repair                                       | -                                | -               | -                 | -                 | -               | 30                  | 11,867                                 |
| Building costs   | -                                | -               | -                 | -                 | -               | 977                 | 20,668                                 |
| Purchased equipment  | -                                | -               | -                 | -                 | -               | 439                 | 13,767                                 |
| Professional, legal and accounting                           | -                                | -               | -                 | -                 | -               | 10                  | 1,676                                  |
| Volunteer expenses   | -                                | -               | -                 | -                 | -               | 533                 | 405,821                                |
| Sub-contractors  | 13,804                           | 3,825           | 153,178           | 216,405           | -               | 2,041,937           | 2,896,754                              |
| Program supplies   | -                                | -               | -                 | -                 | -               | -                   | 8,382                                  |
| In-kind expenses   | -                                | -               | -                 | -                 | -               | -                   | 29,075                                 |
| Other expenses   | -                                | -               | -                 | 1,868             | 3,276           | 18,342              | 75,673                                 |
| <b>Totals</b>  | <b>13,804</b>                    | <b>3,825</b>    | <b>153,178</b>    | <b>218,273</b>    | <b>3,276</b>    | <b>2,112,884</b>    | <b>4,600,057</b>                       |
| <b>Allocation of Management<br/>and General Expenses</b>     | <b>-</b>                         | <b>164</b>      | <b>5,651</b>      | <b>22,114</b>     | <b>-</b>        | <b>78,380</b>       | <b>691,914</b>                         |
| <b>Allocation of Facilities<br/>and Maintenance Expenses</b> | <b>-</b>                         | <b>-</b>        | <b>-</b>          | <b>-</b>          | <b>-</b>        | <b>2,926</b>        | <b>37,943</b>                          |
| <b>Total Expenses</b>  | <b>\$ 13,804</b>                 | <b>\$ 3,989</b> | <b>\$ 158,829</b> | <b>\$ 240,387</b> | <b>\$ 3,276</b> | <b>\$ 2,194,190</b> | <b>\$ 5,329,914</b>                    |
| <b>Total Units</b>   | <b>476</b>                       | <b>217</b>      | <b>8,146</b>      | <b>3,002</b>      | <b>293</b>      |                     |  |

**OTHER REPORTS AND SCHEDULES**

# Saltmarsh

Saltmarsh, Cleaveland & Gund

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

## 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, 2021, and the related statements of activities and changes in net assets and functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 25, 2022.

### 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.

-24-

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

### **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 25, 2022

**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, 2021. 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, 2021.

### **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  
May 25, 2022

**COUNCIL ON AGING OF WEST FLORIDA, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2021**

| <u>Federal Grantor/Pass-through<br/>Grantor/Program Title</u>  | <u>CFDA<br/>Number</u> | <u>Contract /<br/>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                            | \$ 10,800           |
| <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                                | 60,663              |
| Passed through Escambia County:  |                        |                                    |                     |
| Community Development Block Grant  | 14.218                 | N/A                                | 139,475             |
|  |                        |                                    | 200,138             |
| <b><u>U.S. Department of Health and Human Services</u></b>   |                        |                                    |                     |
| Passed through State of Florida Department of Elder Affairs/<br>Passed through Northwest Florida Area Agency on Aging: |                        |                                    |                     |
| Aging Cluster:   |                        |                                    |                     |
| Special Programs for the Aging:  |                        |                                    |                     |
| Title III-Part B, Grants for Supportive Services<br>and Senior Centers   | 93.044                 | AA021-E                            | 472,500             |
| CARES Title III-Part B, Grants for Supportive Services<br>and Senior Centers   | 93.044                 | ACA21-E                            | 320                 |
| Title III-Part C, Nutrition Services   | 93.045                 | AA021-E                            | 514,507             |
| Coronavirus Consolidated Appropriations Act (COC2)   | 93.045                 | ACV21                              | 278,550             |
| Nutrition Services Incentive Program   | 93.053                 | AA021-E                            | 84,754              |
| Total Aging Cluster  |                        |                                    | 1,350,631           |
| National Family Caregiver Support  | 93.052                 | AA021-E                            | 381,926             |
| CARES, Title III-Part E, Caregiver Support Program   | 93.052                 | ACA21-E                            | 346                 |
| <b><u>Corporation for National and Community Service</u></b>   |                        |                                    |                     |
| Foster Grandparents/Senior Companion Cluster:  |                        |                                    |                     |
| Foster Grandparent Program   | 94.011                 | 21SFHFL002                         | 295,171             |
| Senior Companion Program   | 94.016                 | 21SCHFL005                         | 212,142             |
| Total Foster Grandparents/Senior Companion Cluster   |                        |                                    | 507,313             |
| <b><u>U.S. Department of Homeland Security</u></b>   |                        |                                    |                     |
| Emergency Food and Shelter National Board Program  | 97.024                 | N/A                                | 5,850               |
| Total Federal Awards   |                        |                                    | \$ 2,457,004        |

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 FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2021**

| <u>State Grantor/Pass-through<br/>Grantor/Project Title</u>   | <u>CSFA<br/>Number</u> | <u>Contract /<br/>Grant Number</u> | <u>Expenditures</u> |
|---|------------------------|------------------------------------|---------------------|
| <b><u>State Grants and Aids Appropriations</u></b>  |                        |                                    |                     |
| Passed through State of Florida Department of Elder Affairs/<br>Passed through Northwest Florida Area Agency on Aging:<br>Tobacco Settlement Trust Funds: |                        |                                    |                     |
| Community Care for the Elderly  | 65.010                 | AC020-E/AC021                      | \$ 1,036,933        |
| Alzheimer's Respite Services  | 65.004                 | AZ020-E/AZ021                      | 584,423             |
| Relief  | 65.006                 | AR020-E/AR021                      | 58,190              |
|   |                        |                                    | <u>1,679,546</u>    |
| <b><u>State Grants and Aids Appropriations</u></b>  |                        |                                    |                     |
| Passed through State of Florida Department of Elder Affairs/<br>Passed through Northwest Florida Area Agency on Aging:<br>General Revenues:               |                        |                                    |                     |
| Home Care for the Elderly - Case Management   | 65.001                 | AH020-E/AH021                      | 16,130              |
| Home Care for the Elderly - Subsidies   | 65.001                 | AH020-E/AH021                      | 134,331             |
|   |                        |                                    | <u>150,461</u>      |
| Total State Financial Assistance  |                        |                                    | <u>\$ 1,830,007</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, 2021**

**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).

Alzheimer's Respite Services (CSFA No. 65.004).

8. The threshold for distinguishing Type A and B programs was \$750,000 for major federal programs and \$549,002 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, 2021**  
**(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, 2021**

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.

To the Board of Directors  
Council on Aging of West Florida, Inc.  
875 Royce Street  
Pensacola, FL 32514

We have audited the financial statements of Council on Aging of West Florida, Inc. (the "Council") for the year ended December 31, 2021, and have issued our report thereon dated May 25, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 15, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Council are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Council during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of depreciation expense which is based on the estimated useful life of an asset, and management's estimate of the value of in-kind (non-cash) donated items which is based on the fair value at the time of donation. We evaluated the key factors and assumptions used to develop management's estimates of these depreciable lives and fair value in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a disagreement on financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated May 25, 2022.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Council's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Council's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of Council on Aging of West Florida, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

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

Pensacola, Florida  
May 25, 2022

