

AREA 1 AGENCY ON AGING

FINANCIAL STATEMENTS

For the Years Ended June 30, 2009 and 2008

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June 30, 2009

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AYCOCK AND EDGMON

CERTIFIED PUBLIC ACCOUNTANTS



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Area 1 Agency on Aging

We have audited the accompanying statement of financial position of Area 1 Agency on Aging (a nonprofit organization) as of June 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Area 1 Agency on Aging's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Area 1 Agency on Aging as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2009, on our consideration of Area 1 Agency on Aging's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Area 1 Agency on Aging taken as a whole. The schedules of support and revenue and functional expenses are presented for purposes of additional analysis and are not a required part of the financial statements of Area 1 Agency on Aging. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements of Area 1 Agency on Aging. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Aycock and Edgmon
November 2, 2009

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AN ACCOUNTANCY CORPORATION

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FINANCIAL STATEMENTS

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STATEMENTS OF FINANCIAL POSITION

June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 236,779	\$ 807,867
Grants and contracts receivable	131,036	155,685
Other receivables	8,897	10,626
Prepaid insurance	11,811	12,871
Other prepaid expenses	<u>32,682</u>	<u>28,154</u>
Total Current Assets	<u>421,205</u>	<u>1,015,203</u>
Property and Equipment		
Land	154,264	-
Property and equipment - Net of accumulated depreciation	1,077,293	93,164
Grant funded equipment	<u>40,550</u>	<u>45,248</u>
Total Property and Equipment	<u>1,272,107</u>	<u>138,412</u>
Other Assets		
Investments	<u>321,817</u>	<u>932,225</u>
TOTAL ASSETS	<u>\$ 2,015,129</u>	<u>\$ 2,085,840</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 92,544	\$ 58,362
Lease payable - Current portion	2,748	2,968
Refundable advances	17,407	6,674
Security deposits payable	973	-
Accrued liabilities:		
Payroll, benefits, and payroll taxes	29,435	33,853
Compensated absences	<u>34,882</u>	<u>31,104</u>
Total Current Liabilities	<u>177,989</u>	<u>132,961</u>
Long Term Liabilities		
Lease payable	<u>229</u>	<u>2,943</u>
Total Liabilities	178,218	135,904
Net Assets		
Unrestricted net assets	1,757,971	1,903,123
Temporarily restricted net assets	78,940	46,813
Permanently restricted net assets	-	-
Total Net Assets	<u>1,836,911</u>	<u>1,949,936</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,015,129</u>	<u>\$ 2,085,840</u>

The accompanying notes to financial statements are an integral part of this statement.

AREA 1 AGENCY ON AGING

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT, REVENUE, AND GAINS				
Support				
Federal and state financial assistance	\$ 1,760,423	\$ -	\$ -	\$ 1,760,423
Other grants and contracts	460,072	37,440	-	497,512
Contributions	4,600	-	-	4,600
Fund-raising	<u>11,829</u>	<u>-</u>	<u>-</u>	<u>11,829</u>
Total Support	2,236,924	37,440	-	2,274,364
Revenue				
Membership fees	1,575	950	-	2,525
Project revenue	517	-	-	517
Underwriting revenue	2,000	-	-	2,000
Other revenue	11,429	-	-	11,429
Interest and dividend income	12,000	-	-	12,000
Partnership income	65,958	-	-	65,958
Sublease income	<u>16,644</u>	<u>-</u>	<u>-</u>	<u>16,644</u>
Total Revenue	110,123	950	-	111,073
Net Assets Released from Restrictions	<u>1,565</u>	<u>(1,565)</u>	<u>-</u>	<u>-</u>
Total Support Revenue, and Gains	2,348,612	36,825	-	2,385,437
EXPENSES				
Program Services				
Senior support services	1,144,403	-	-	1,144,403
Volunteer services	258,360	-	-	258,360
Information services	<u>668,296</u>	<u>-</u>	<u>-</u>	<u>668,296</u>
Total Program Services	2,071,059	-	-	2,071,059
Support Services				
General and administrative	308,477	-	-	308,477
Fund-raising	9,529	-	-	9,529
Real estate management	<u>104,699</u>	<u>-</u>	<u>-</u>	<u>104,699</u>
Total Support Services	<u>422,705</u>	<u>-</u>	<u>-</u>	<u>422,705</u>
Total Expenses	<u>2,493,764</u>	<u>-</u>	<u>-</u>	<u>2,493,764</u>
CHANGE IN NET ASSETS	(145,152)	36,825	-	(108,327)
Disposal of Grant Funded Equipment	-	(4,698)	-	(4,698)
NET ASSETS, JULY 1, 2008	<u>1,903,123</u>	<u>46,813</u>	<u>-</u>	<u>1,949,936</u>
NET ASSETS, JUNE 30, 2009	<u>\$ 1,757,971</u>	<u>\$ 78,940</u>	<u>\$ -</u>	<u>\$ 1,836,911</u>

The accompanying notes to financial statements are an integral part of this statement.

AREA 1 AGENCY ON AGING

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT, REVENUE, AND GAINS				
Support				
Federal and state financial assistance	\$ 1,889,453	\$ -	\$ -	\$ 1,889,453
Other grants and contracts	443,276	-	-	443,276
Contributions	6,915	-	-	6,915
Fund-raising income	<u>254</u>	<u>-</u>	<u>-</u>	<u>254</u>
Total Support	2,339,898	-	-	2,339,898
Revenue				
Membership fees	3,175	1,565	-	4,740
Project revenue	412	-	-	412
Underwriting revenue	18,117	-	-	18,117
Other revenue	4,519	-	-	4,519
Interest and dividend income	60,646	-	-	60,646
Gain on disposition of equipment	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
Total Revenue	87,869	1,565	-	89,434
Net Assets Released from Restrictions	<u>46,015</u>	<u>(46,015)</u>	<u>-</u>	<u>-</u>
Total Support Revenue, and Gains	2,473,782	(44,450)	-	2,429,332
EXPENSES				
Program Services				
Senior support services	1,124,410	-	-	1,124,410
Volunteer services	282,648	-	-	282,648
Information services	<u>740,240</u>	<u>-</u>	<u>-</u>	<u>740,240</u>
Total Program Services	2,147,298	-	-	2,147,298
Support Services				
General and administrative	388,519	-	-	388,519
Fund-raising	<u>1,374</u>	<u>-</u>	<u>-</u>	<u>1,374</u>
Total Support Services	<u>389,893</u>	<u>-</u>	<u>-</u>	<u>389,893</u>
Total Expenses	<u>2,537,191</u>	<u>-</u>	<u>-</u>	<u>2,537,191</u>
CHANGE IN NET ASSETS	(63,409)	(44,450)	-	(107,859)
Disposal of Grant Funded Equipment	<u>-</u>	<u>(9,046)</u>	<u>-</u>	<u>(9,046)</u>
NET ASSETS, JULY 1, 2007	<u>1,966,532</u>	<u>100,309</u>	<u>-</u>	<u>2,066,841</u>
NET ASSETS, JUNE 30, 2008	<u>\$ 1,903,123</u>	<u>\$ 46,813</u>	<u>\$ -</u>	<u>\$ 1,949,936</u>

The accompanying notes to financial statements are an integral part of this statement

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (108,327)	\$ (107,859)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	30,217	4,821
Gain on equipment disposition	-	(1,000)
Realized losses on sale of investments	531	54,419
Unrealized losses on investments	3,578	2,498
Transfer of assets to other agencies	69,536	-
(Increase) decrease in operating assets:		
Receivables	26,378	1,483
Investment interest receivable	5,995	6,176
Prepaid expenses	(3,468)	13,432
Increase (decrease) in operating liabilities:		
Accounts payable	34,182	681
Refundable advances	10,733	(10,966)
Security deposits payable	973	-
Accrued liabilities	(640)	(22,041)
Net Cash Used by Operating Activities	<u>69,688</u>	<u>(58,356)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land, building, and improvements	(1,215,088)	-
Purchase of equipment	(23,019)	(87,174)
Proceeds from sale of investments	905,912	1,009,676
Purchase of investments	(305,608)	(644,143)
Net Cash Provided (Used) by Investing Activities	<u>(637,803)</u>	<u>278,359</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Debt reduction	<u>(2,973)</u>	<u>(2,774)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(571,088)	217,229
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>807,867</u>	<u>590,638</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 236,779</u>	<u>\$ 807,867</u>

SUPPLEMENTAL INFORMATION

Interest expense for the years ended June 30, 2009 and 2008 was \$103 and \$128, respectively.

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIESNature of Activities

Area I Agency on Aging (A1AA) is a nonprofit corporation formed to function as a planning and administrative organization for the delivery of services to older individuals in Humboldt and Del Norte Counties. In addition to providing these services, A1AA operates the Volunteer Center of the Redwoods/RSVP, the purpose of which is to coordinate the recruitment and placement of citizens in meaningful volunteer stations within Humboldt and Del Norte Counties. A1AA also operates an Information and Assistance (I&A) program whereby A1AA provides needed information and relevant assistance to senior citizens, as well as a Health Insurance Counseling (HICAP) program, and a Caregiver Services program for caregivers, recipients of in-home care, and their families.

Financial Statement Presentation

A1AA reports its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions, in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*.

Property and Equipment

A1AA capitalizes all property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets. Purchased property and equipment are capitalized at historical cost. Donated property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, A1AA reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. A1AA reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method based on estimated useful lives.

Revenue Recognition

A1AA reports grants, contributions, and membership fees in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. Certain grants, contributions, and membership fees are recorded as unrestricted or temporarily restricted support, depending on the existence and/or nature of any donor restrictions.

Donor-restricted support is reported as an increase in temporarily restricted net assets. When the restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Contributed Services

Donated services are recognized as contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, if the services require specialized skills, are performed by people with those skills, and would otherwise be purchased by A1AA.

In addition, volunteers also provide services throughout the year in serving A1AA's mission that are not recognized as contributions in the financial statements because the recognition criteria under SFAS No. 116 were not met.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, A1AA considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Compensated Absences

Accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a liability. In accordance with the provisions of SFAS No. 43, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

Income Taxes

A1AA is exempt from federal and state income taxes under Internal Revenue Code (IRC) Section 501(c)(3) and California Revenue and Taxation Code Section 23701. In addition, the Internal Revenue Service has determined that A1AA is not a private foundation within the meaning of IRC Section 509(a).

Functional Expenses

A1AA allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expense classification. Other expenses that are common to several functions are allocated by various statistical bases.

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.

NOTE B - CASH AND CASH EQUIVALENTS

The carrying value of cash and cash equivalents were composed of the following combined balances:

	<u>2009</u>	<u>2008</u>
Cash on hand	\$ 67	\$ 295
Checking and savings accounts	136,712	119,051
Money market funds	-	631,516
Certificates of deposits	100,000	57,005
	<u>\$ 236,779</u>	<u>\$ 807,867</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE C - RECEIVABLES

The following is a summary of receivables as of June 30:

	2009		2008	
Grant and Contract Awards				
Federal	\$ 48,893		\$ 57,145	
State	30,312		37,499	
Other	<u>51,831</u>	\$ 131,036	<u>61,041</u>	\$ 155,685
Reimbursable expenses	<u>8,897</u>	<u>8,897</u>	<u>10,626</u>	<u>10,626</u>
		<u>\$ 139,933</u>		<u>\$ 166,311</u>

NOTE D - INVESTMENTS

Investments in securities available for sale are carried at fair value. Investments in securities held to maturity are carried at amortized cost. The investment in the limited partnership interest is carried at the fair value at the date of donation.

2009	Cost	Fair Value	Carrying Value	Appreciation (Depreciation)
Certificates of deposit	\$ 297,245	\$ 298,540	\$ 300,000	\$ -
Pooled funds	15,395	11,817	11,817	(3,578)
Limited Partnership	10,000	10,000	10,000	-
	<u>\$ 322,640</u>	<u>\$ 320,357</u>	<u>\$ 321,817</u>	<u>\$ (3,578)</u>

2008	Cost	Fair Value	Carrying Value	Appreciation (Depreciation)
Certificates of deposit	\$ 905,994	\$ 899,450	\$ 906,594	\$ -
Pooled funds	18,129	15,631	15,631	(2,498)
Limited Partnership	10,000	10,000	10,000	-
	<u>\$ 934,123</u>	<u>\$ 925,081</u>	<u>\$ 932,225</u>	<u>\$ (2,498)</u>

NOTE E - PROPERTY AND EQUIPMENT

The following is a summary of the changes in property and equipment as of June 30, 2009:

	Balance July 1, 2008	Additions	Current Year Disposals	Balance June 30, 2009
Unrestricted				
Land (50%)	\$ -	\$ 154,264	\$ -	\$ 154,264
Building and improvements (50%)	-	1,008,505	-	1,008,505
Leasehold improvements	-	52,319	-	52,319
Equipment	<u>204,224</u>	<u>23,059</u>	<u>86,857</u>	<u>140,426</u>
	204,224	1,238,147	86,857	1,355,514
Accumulated depreciation	<u>(111,060)</u>	<u>(30,217)</u>	<u>17,320</u>	<u>(123,957)</u>
Net book value	<u>\$ 93,164</u>	<u>\$ 1,207,930</u>	<u>\$ (69,537)</u>	<u>\$ 1,231,557</u>
Temporarily Restricted				
Equipment	<u>\$ 45,248</u>	<u>\$ -</u>	<u>\$ (4,698)</u>	<u>\$ 40,550</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE F - ACCOUNTS PAYABLE

Accounts payable consisted of the following as of June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Payments to subcontractors	\$ 51,215	\$ 27,743
Trade payables	40,311	30,245
Sales and use tax payable	1,018	374
	<u>\$ 92,544</u>	<u>\$ 58,362</u>

NOTE G - REFUNDABLE ADVANCES

A1AA records grant and contract revenue as a refundable advance until it is expended for the purpose of the grant or contract, at which time it is recognized as revenue. The balances in refundable advances of \$17,407 and \$6,674 as of June 30, 2009 and 2008, respectively, represent amounts received from funding agencies and not yet expended for allowable program costs.

NOTE H - CAPITAL LEASE PAYABLE

A1AA entered into a lease agreement for financing the acquisition of a Konica Minolta Copier. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date.

The asset acquired through the capital lease is as follows:

	<u>2009</u>	<u>2008</u>
Asset		
Konica Minolta Bizhub 250 Copier	\$ 8,137	\$ 8,098
Less accumulated depreciation	<u>(3,247)</u>	<u>(1,620)</u>
Total	<u>\$ 4,890</u>	<u>\$ 6,478</u>

The future minimum lease obligations and the net present value to these minimum lease payments as of June 30, 2009 are as follows:

Year Ending June 30,	
2010	\$ 2,759
2011	<u>229</u>
	2,988
Less amount representing	
Interest	<u>11</u>
	<u>\$ 2,977</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE I - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods:

Contributions, Grants, and Fees		
Beginning balance, July 1, 2008	\$	1,565
Net assets released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors:		
Membership fees		(1,565)
Net assets received for periods after June 30, 2009:		
Foundation contributions		37,440
Membership fees		950
		<u>38,390</u>
	\$	38,390
Assets Reverting to Others		
Beginning balance, July 1, 2008		45,248
Disposal of grant funded equipment		
		<u>(4,698)</u>
		<u>40,550</u>
	\$	<u>78,940</u>

Assets reverting to others consists of equipment acquired with certain funding sources that require that title to these assets revert to the funding source should the program be discontinued.

NOTE J - OPERATING LEASE AGREEMENT

A1AA leased its Crescent City, California office under a noncancellable operating lease expiring June 30, 2009. Rent expense for 2009 totaled \$16,800.

Subsequent to June 30, 2009, A1AA leased the Crescent City office under a noncancellable operating lease expiring on June 30, 2010. Minimum future lease payments under this lease for the following year are \$14,400.

A1AA leased its Eureka office under a noncancellable operating lease expiring on July 31, 2018. Minimum future rental payments under this lease for the following five years are:

Year Ending June 30,	
2009 - 2010	\$ 154,125
2010 - 2011	158,746
2011 - 2012	163,510
2012 - 2013	168,418
2013 - 2014	173,470

NOTE K - SIGNIFICANT CONCENTRATION OF CREDIT RISK

Area 1 Agency on Aging maintains cash balances at several financial institutions. The balances are insured at each financial institution by the Federal Deposit Insurance Corporation up to \$200,000 in 2009 and \$100,000 in 2008. At June 30, 2009 and 2008, A1AA had uninsured cash balances of \$0 and \$589,992, respectively.

NOTE L - CONTINGENT LIABILITIES

The major sources of support and revenue are grants and contracts from federal and state agencies. Such support and revenue is subject to review by the funding agency and may result in disallowance in subsequent periods.

NOTE M - GRANTS, CONTRACTS, AND EXCHANGE TRANSACTIONS

The following is a summary of revenue recognized from grants, contracts, and exchange transactions during the years ended June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Federal grant awards	\$ 972,436	\$ 998,851
State grant awards	<u>787,987</u>	<u>890,602</u>
	<u>\$ 1,760,423</u>	<u>\$ 1,889,453</u>

NOTE N - RETIREMENT PLAN

A1AA maintains a Simplified Employee Pension (SEP) plan which allows employer discretionary contributions of up to 25% of each eligible employee's gross wages subject to an IRS established limit (\$245,000 in 2009). A1AA did not make SEP contributions for the years ended June 30, 2009 and 2008, respectively.

A1AA also sponsors a 403(b) salary deferral plan.

NOTE O - ACQUISITION OF REAL PROPERTY

On August 8, 2008, the Area 1 Agency on Aging utilized \$1,162,769 of its endowment fund to purchase a 50% interest in a commercial office building and to fund its 50% share of elevator installation costs. The property was acquired to consolidate the agency's administrative and program offices that were previously housed in three facilities throughout the City of Eureka. Ownership is held with the other 50% owner through a co-tenancy named the Lundblade/A1AA Seventh St. Co-Tenancy. No debt was incurred in the acquisition. The building in its entirety is leased to the non-profit Area 1 Agency on Aging which has expended \$52,319 for leasehold improvements.

SUPPLEMENTARY INFORMATION

	<u>Senior Support Services</u>	<u>Volunteer Services</u>	<u>Information Services</u>	<u>Total Program Services</u>
UNRESTRICTED SUPPORT				
Federal awards	\$ 396,156	\$ 144,872	\$ 238,121	\$ 779,149
Nutrition Services Incentive Program	89,324	-	-	89,324
USDA Senior Farmers Market coupons	10,000	-	-	10,000
State awards	586,101	6,500	164,144	756,745
Other grants and contracts	-	95,470	260,632	356,102
Contributions	-	2,485	1,026	3,511
Fund-raising income	-	-	-	-
UNRESTRICTED REVENUE AND GAINS				
Membership fees	-	1,575	-	1,575
Project revenue	-	406	111	517
Underwriting income	-	2,000	-	2,000
Other revenue	-	245	-	245
Interest and dividend income	-	-	-	-
Partnership income	-	-	-	-
Sublease income	-	-	-	-
Gain on disposition of equipment	-	-	-	-
Total unrestricted	-	-	-	-
support, revenue, and gains	1,081,581	253,553	664,034	1,999,168
NET ASSETS RELEASED FROM RESTRICTION	-	1,565	-	1,565
TOTAL UNRESTRICTED SUPPORT, REVENUE, AND GAINS	<u>\$ 1,081,581</u>	<u>\$ 255,118</u>	<u>\$ 664,034</u>	<u>\$ 2,000,733</u>

SCHEDULE OF SUPPORT AND REVENUE

For the Year Ended June 30, 2009
(With Comparative Totals for the Year Ended June 30, 2008)

Total Administrative Support Services	Total Program and Administrative Support Services	Total 2008
\$ 93,963	\$ 873,112	\$ 917,289
-	89,324	81,562
-	10,000	-
31,242	787,987	890,602
103,970	460,072	443,276
1,089	4,600	6,915
11,829	11,829	254
-	1,575	3,175
-	517	412
-	2,000	18,117
11,184	11,429	4,519
12,000	12,000	60,646
65,958	65,958	-
16,644	16,644	-
-	-	1,000
347,879	2,347,047	2,427,767
-	1,565	46,015
<u>\$ 347,879</u>	<u>\$ 2,348,612</u>	<u>\$ 2,473,782</u>

The accompanying notes to financial statements are an integral part of this statement.

SENIOR SUPPORT SERVICES					
	<u>HRSA Grant</u>	<u>Coordination</u>	<u>Title III C-1 Congregate Meals</u>	<u>Title III C-2 Home Delivered Meals</u>	<u>Contracted Services</u>
UNRESTRICTED SUPPORT					
Federal awards	\$ 11,182	\$ 4,099	\$ 20,076	\$ 17,840	\$ 342,959
Nutritional Services					
Incentive Program	-	-	-	-	89,324
USDA Senior Farmers					
Market coupons	-	-	-	-	-
State awards	-	-	-	-	586,101
Contributions	-	-	-	-	-
Fund-raising income	-	-	-	-	-
UNRESTRICTED REVENUE AND GAINS					
Membership fees	-	-	-	-	-
Project revenue	-	-	-	-	-
Underwriting income	-	-	-	-	-
Other revenue	-	-	-	-	-
Interest and dividend income	-	-	-	-	-
Gain on disposition of equipment	-	-	-	-	-
Total unrestricted support, revenue, and gains	11,182	4,099	20,076	17,840	1,018,384
NET ASSETS RELEASED FROM RESTRICTION					
	-	-	-	-	-
TOTAL UNRESTRICTED SUPPORT, REVENUE, AND GAINS					
	<u>\$ 11,182</u>	<u>\$ 4,099</u>	<u>\$ 20,076</u>	<u>\$ 17,840</u>	<u>\$ 1,018,384</u>

SCHEDULE OF SUPPORT AND REVENUE

For the Year Ended June 30, 2009
 (With Comparative Totals for the Year Ended June 30, 2008)

SENIOR SUPPORT SERVICES		
Senior Farmers Market Coupons	Total 2009	Total 2008
\$ -	\$ 396,156	\$ 442,883
-	89,324	81,562
10,000	10,000	-
-	586,101	685,328
-	-	-
-	-	-
-	-	-
-	-	-
-	-	1,000
<u>10,000</u>	<u>1,081,581</u>	<u>1,210,773</u>
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 10,000</u>	<u>\$ 1,081,581</u>	<u>\$ 1,210,773</u>

The accompanying notes to financial statements are an integral part of this statement.

VOLUNTEER SERVICES

	<u>RSVP</u>	<u>VCOR Title III B</u>	<u>VCOR General</u>
UNRESTRICTED SUPPORT			
Federal awards	\$ 109,372	\$ 35,500	\$ -
Nutritional Services Incentive Program	-	-	-
USDA Senior Farmers Market coupons	-	-	-
State awards	-	-	6,500
Other grants and contracts	-	-	83,860
Contributions	-	-	2,485
Fund-raising income	-	-	-
UNRESTRICTED REVENUE AND GAINS			
Membership fees	-	-	1,575
Project revenue	-	-	406
Underwriting income	-	-	2,000
Other revenue	-	-	245
Gain on disposition of equipment	-	-	-
Total unrestricted support, revenue, and gains	<u>109,372</u>	<u>35,500</u>	<u>97,071</u>
NET ASSETS RELEASED FROM RESTRICTION	<u>-</u>	<u>-</u>	<u>1,565</u>
TOTAL UNRESTRICTED SUPPORT, REVENUE, AND GAINS	<u>\$ 109,372</u>	<u>\$ 35,500</u>	<u>\$ 98,636</u>

SCHEDULE OF SUPPORT AND REVENUE

For the Year Ended June 30, 2009
 (With Comparative Totals for the Year Ended June 30, 2008)

VOLUNTEER SERVICES

Flex Your Power	Total 2009	Total 2008
\$ -	\$ 144,872	\$ 149,917
-	-	-
-	-	-
-	6,500	6,000
11,610	95,470	55,961
-	2,485	5,315
-	-	-
-	1,575	3,175
-	406	272
-	2,000	500
-	245	340
-	-	-
11,610	253,553	221,480
-	1,565	45,515
<u>\$ 11,610</u>	<u>\$ 255,118</u>	<u>\$ 266,995</u>

The accompanying notes to financial statements are an integral part of this statement.

	INFORMATION SERVICES					
	Senior Resource Directory	Title III B Information and Assistance	Title III E Community Education	Title III E Access	Title III E Home Modification and Security	First 5 Elder Kinder
UNRESTRICTED SUPPORT						
Federal awards	\$ -	\$ 66,025	\$ 2,533	\$ 44,141	\$ 24,640	\$ -
Nutritional Services						
Incentive Program	-	-	-	-	-	-
USDA Senior Farmers						
Market coupons	-	-	-	-	-	-
State awards	-	-	-	-	-	-
Other grants and contracts	-	18,300	-	1,700	-	23,787
Contributions	-	1,026	-	-	-	-
Fund-raising income	-	-	-	-	-	-
UNRESTRICTED REVENUE AND GAINS						
Membership fees	-	-	-	-	-	-
Project revenue	-	-	-	-	-	-
Underwriting income	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Interest and dividend income	-	-	-	-	-	-
Gain on sale of assets	-	-	-	-	-	-
Total unrestricted support, revenue, and gains	-	85,351	2,533	45,841	24,640	23,787
NET ASSETS RELEASED FROM RESTRICTION	-	-	-	-	-	-
TOTAL UNRESTRICTED SUPPORT, REVENUE, AND GAINS	<u>\$ -</u>	<u>\$ 85,351</u>	<u>\$ 2,533</u>	<u>\$ 45,841</u>	<u>\$ 24,640</u>	<u>\$ 23,787</u>

SCHEDULE OF SUPPORT AND REVENUE

For the Year Ended June 30, 2009
(With Comparative Totals for the Year Ended June 30, 2008)

INFORMATION SERVICES								
Del Norte Capital Grant	Blue Lake Caregiver Services	Title III D Preventive Health Program	Caregiver Services	HICAP	Title III E Respite	Title III E Caregiver Support	Total 2009	Total 2008
\$ -	\$ -	\$ 11,466	\$ -	\$ 81,507	\$ 766	\$ 7,043	\$ 238,121	\$ 232,297
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	164,144	-	-	164,144	164,545
-	9,270	-	207,575	-	-	-	260,632	301,539
-	-	-	-	-	-	-	1,026	1,000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	10	101	-	-	111	140
-	-	-	-	-	-	-	-	17,617
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	9,270	11,466	207,585	245,752	766	7,043	664,034	717,138
-	-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 9,270</u>	<u>\$ 11,466</u>	<u>\$ 207,585</u>	<u>\$ 245,752</u>	<u>\$ 766</u>	<u>\$ 7,043</u>	<u>\$ 664,034</u>	<u>\$ 717,138</u>

The accompanying notes to financial statements are an integral part of this statement.

ADMINISTRATIVE SUPPORT SERVICES

	<u>Area Plan</u> <u>Administration</u>	<u>HICAP</u> <u>Administration</u>	<u>Overhead</u>	<u>Investments</u>
UNRESTRICTED SUPPORT				
Federal awards	\$ 93,963	\$ -	\$ -	\$ -
Nutritional Services Incentive Program	-	-	-	-
USDA Senior Farmers Market coupons	-	-	-	-
State awards	30,016	1,226	-	-
Other grants and contracts	89,203	-	14,767	-
Contributions	-	-	-	-
Fund-raising income	-	-	85	-
UNRESTRICTED REVENUE AND GAINS				
Membership fees	-	-	-	-
Project revenue	-	-	-	-
Underwriting income	-	-	-	-
Other revenue	-	-	1	-
Interest and dividend income	-	-	-	10,124
Partnership income	-	-	-	-
Sublease income	-	-	-	-
Total unrestricted support, revenue and gains	<u>213,182</u>	<u>1,226</u>	<u>14,853</u>	<u>10,124</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL UNRESTRICTED SUPPORT, REVENUE, AND GAINS	<u>\$ 213,182</u>	<u>\$ 1,226</u>	<u>\$ 14,853</u>	<u>\$ 10,124</u>

SCHEDULE OF SUPPORT AND REVENUE

For the Year Ended June 30, 2009

(With Comparative Totals for the Year Ended June 30, 2008)

ADMINISTRATIVE SUPPORT SERVICES

Miscellaneous Administrative	Fund-Raising	Real Estate Management	Total 2009	Total 2008
\$ -	\$ -	\$ -	\$ 93,963	\$ 92,192
-	-	-	-	-
-	-	-	-	-
-	-	-	31,242	34,729
-	-	-	103,970	85,776
1,004	-	-	1,089	600
-	11,829	-	11,829	254
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
11,183	-	-	11,184	4,179
1,876	-	-	12,000	60,646
-	-	65,958	65,958	-
-	-	16,644	16,644	-
14,063	11,829	82,602	347,879	278,376
-	-	-	-	500
<u>\$ 14,063</u>	<u>\$ 11,829</u>	<u>\$ 82,602</u>	<u>\$ 347,879</u>	<u>\$ 278,876</u>

The accompanying notes to financial statements are an integral part of this statement.

	Senior Support Services	Volunteer Services	Information Services	Total Program Services
Salaries and wages	\$ 3,651	\$ 108,248	\$ 309,644	\$ 421,543
Fringe benefit expense	1,104	32,239	97,274	130,617
Total salaries and related expenses	<u>4,755</u>	<u>140,487</u>	<u>406,918</u>	<u>552,160</u>
Advertising	-	2,307	13,889	16,196
Consultants	27,296	-	11,254	38,550
Contracted services	1,018,384	-	-	1,018,384
Expendable equipment	-	1,808	24,466	26,274
Insurance	-	-	-	-
Interest expense	-	8	-	8
Investment management fees	-	-	-	-
Membership and subscriptions	220	591	1,985	2,796
Office and supplies	322	4,192	10,859	15,373
Online services	-	1,500	4,800	6,300
Printing and copier expense	380	4,991	9,832	15,203
Professional services	-	-	-	-
Property taxes	-	-	-	-
Purchase of services	-	-	9,118	9,118
Rent	2,309	18,140	46,634	67,083
Repairs and maintenance	174	1,677	3,813	5,664
Staff travel and training	640	4,293	9,573	14,506
Telephone and utilities	438	3,650	14,496	18,584
Volunteer expenses	-	39,582	-	39,582
Other	10,000	1,434	13,953	25,387
Total expenses before depreciation, other expenses, and losses	<u>1,064,918</u>	<u>224,660</u>	<u>581,590</u>	<u>1,871,168</u>
Allocated overhead	5,481	33,700	86,384	125,565
Depreciation	4,468	-	322	4,790
Transfer to other agencies	69,536	-	-	69,536
Realized loss on investments	-	-	-	-
Unrealized losses on investments	-	-	-	-
TOTAL EXPENSES AND LOSSES	<u><u>\$ 1,144,403</u></u>	<u><u>\$ 258,360</u></u>	<u><u>\$ 668,296</u></u>	<u><u>\$ 2,071,059</u></u>

SCHEDULE OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2009
 (With Comparative Totals for the Year Ended June 30, 2008)

Total Administrative Support Services	Total Program and Administrative Support Services	Total 2008
\$ 199,011	\$ 620,554	\$ 724,838
53,686	184,303	233,889
<u>252,697</u>	<u>804,857</u>	<u>958,727</u>
2,196	18,392	6,656
46,549	85,099	95,076
-	1,018,384	1,074,110
15,627	41,901	11,564
11,430	11,430	8,553
227	235	128
271	271	5,720
4,161	6,957	6,457
11,189	26,562	29,359
4,975	11,275	11,268
11,427	26,630	33,271
10,610	10,610	10,335
14,745	14,745	-
-	9,118	6,804
96,830	163,913	83,409
14,642	20,306	13,530
4,490	18,996	26,520
7,948	26,532	33,233
846	40,428	38,636
7,874	<u>33,261</u>	<u>22,097</u>
518,734	2,389,902	2,475,453
(125,565)	-	-
25,427	30,217	4,821
-	69,536	-
531	531	54,419
<u>3,578</u>	<u>3,578</u>	<u>2,498</u>
<u>\$ 422,705</u>	<u>\$ 2,493,764</u>	<u>\$ 2,537,191</u>

The accompanying notes to financial statements are an integral part of this statement.

SENIOR SUPPORT SERVICES

	HRSA Grant	Coordination	Title III C-1 Congregate Meals	Title III C-2 Home Delivered Meals	Contracted Services
Salaries and wages	\$ -	\$ 2,811	\$ 466	\$ 374	\$ -
Fringe benefit expense	-	753	185	166	-
Total salaries and related expenses	-	3,564	651	540	-
Advertising	-	-	-	-	-
Consultants	-	-	14,611	12,685	-
Contracted services	-	-	-	-	1,018,384
Insurance	-	-	-	-	-
Membership and subscriptions	-	-	35	185	-
Office and supplies	-	-	165	157	-
Online services	-	-	-	-	-
Printing and copier expense	-	-	190	190	-
Rent	-	-	1,170	1,139	-
Repairs and maintenance	-	-	88	86	-
Staff travel and training	-	-	320	320	-
Telephone and utilities	-	-	227	211	-
Volunteer expense	-	-	-	-	-
Other	-	-	-	-	-
Total expenses before depreciation and other expenses	-	3,564	17,457	15,513	1,018,384
Allocated overhead	-	535	2,619	2,327	-
Depreciation	4,468	-	-	-	-
Transfer to other agencies	69,536	-	-	-	-
TOTAL EXPENSES	\$ 74,004	\$ 4,099	\$ 20,076	\$ 17,840	\$ 1,018,384

SCHEDULE OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2009
 (With Comparative Totals for the Year Ended June 30, 2008)

SENIOR SUPPORT SERVICES		
Senior Farmers Market Coupons	Total 2009	Total 2008
\$ -	\$ 3,651	\$ 8,573
-	1,104	2,437
-	4,755	11,010
-	-	-
-	27,296	29,311
-	1,018,384	1,074,110
-	-	-
-	220	178
-	322	305
-	-	-
-	380	947
-	2,309	1,159
-	174	120
-	640	1,081
-	438	719
-	-	-
<u>10,000</u>	<u>10,000</u>	<u>68</u>
10,000	1,064,918	1,119,008
-	5,481	3,591
-	4,468	1,811
-	69,536	-
<u>\$ 10,000</u>	<u>\$ 1,144,403</u>	<u>\$ 1,124,410</u>

The accompanying notes to financial statements are an integral part of this statement.

VOLUNTEER SERVICES

	<u>RSVP</u>	<u>VCOR Title III B</u>	<u>VCOR General</u>
Salaries and wages	\$ 57,930	\$ 18,463	\$ 26,882
Fringe benefits expense	17,290	5,532	8,221
Total salaries and related expenses	<u>75,220</u>	<u>23,995</u>	<u>35,103</u>
Advertising	486	-	45
Consultants	-	-	-
Expendable equipment	1,754	-	54
Insurance	-	-	-
Interest expense	-	-	8
Membership and subscriptions	391	200	-
Office and supplies	3,369	325	353
Online services	-	-	1,500
Printing and copier expense	2,773	614	1,257
Rent	12,497	5,642	1
Repairs and maintenance	1,677	-	-
Staff travel and training	2,808	93	1,273
Telephone and utilities	3,562	-	88
Volunteer expenses	-	-	39,582
Other	33	-	357
Total expenses before depreciation and other expenses	<u>104,570</u>	<u>30,869</u>	<u>79,621</u>
Allocated overhead	<u>4,802</u>	<u>4,631</u>	<u>22,827</u>
TOTAL EXPENSES	<u><u>\$ 109,372</u></u>	<u><u>\$ 35,500</u></u>	<u><u>\$ 102,448</u></u>

SCHEDULE OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2009
 (With Comparative Totals for the Year Ended June 30, 2008)

VOLUNTEER SERVICES

Flex Your Power	Total 2009	Total 2008
\$ 4,973	\$ 108,248	\$ 127,074
1,196	32,239	41,175
<u>6,169</u>	<u>140,487</u>	<u>168,249</u>
1,776	2,307	1,378
-	-	3,408
-	1,808	1,577
-	-	-
-	8	-
-	591	671
145	4,192	5,204
-	1,500	1,500
347	4,991	6,234
-	18,140	17,371
-	1,677	1,137
119	4,293	5,166
-	3,650	5,580
-	39,582	35,517
<u>1,044</u>	<u>1,434</u>	<u>4,272</u>
9,600	224,660	257,264
<u>1,440</u>	<u>33,700</u>	<u>25,384</u>
<u>\$ 11,040</u>	<u>\$ 258,360</u>	<u>\$ 282,648</u>

The accompanying notes to financial statements are an integral part of this statement.

	INFORMATION SERVICES					
	Senior Resource Directory	Title III B Information and Assistance	Title III E Community Education	Title III E Access	Title III E Home Modification and Security	First 5 Elder Kinder
Salaries and wages	\$ 180	\$ 44,879	\$ 1,637	\$ 23,447	\$ 4,088	\$ 10,421
Fringe benefit expense	44	13,953	561	7,428	1,258	1,284
Total salaries and related expenses	224	58,832	2,198	30,875	5,346	11,705
Advertising	100	571	-	114	-	8,495
Consultants	-	520	-	120	-	-
Expendable equipment	-	-	-	579	7,752	-
Insurance	-	-	-	-	-	-
Membership and subscriptions	-	164	-	25	-	-
Office and supplies	39	1,422	5	374	21	107
Online services	-	1,344	-	912	-	-
Printing and copier expense	-	374	-	197	5	997
Purchase of service	-	-	-	-	8,301	-
Rent	-	6,710	-	4,375	-	-
Repairs and maintenance	-	480	-	290	-	-
Staff travel and training	-	1,022	-	326	1	74
Telephone and utilities	-	2,751	-	1,672	-	-
Volunteer expenses	-	-	-	-	-	-
Other	-	28	-	3	-	52
Total expenses before depreciation and other expenses	363	74,218	2,203	39,862	21,426	21,430
Allocated overhead	54	11,133	330	5,979	3,214	2,357
Depreciation	-	-	-	-	-	-
TOTAL EXPENSES	\$ 417	\$ 85,351	\$ 2,533	\$ 45,841	\$ 24,640	\$ 23,787

SCHEDULE OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2009

(With Comparative Totals for the Year Ended June 30, 2008)

INFORMATION SERVICES								
Del Norte Capital Grant	Blue Lake Caregiver Services	Title III D Preventive Health Program	Caregiver Services	HICAP	Title III E Respite	Title III E Caregiver Support	Total 2009	Total 2008
\$ -	\$ 3,938	\$ 1,781	\$ 97,658	\$ 121,615	\$ -	\$ -	\$ 309,644	\$ 374,872
-	1,425	338	29,799	41,184	-	-	97,274	128,726
-	5,363	2,119	127,457	162,799	-	-	406,918	503,598
-	-	-	716	3,893	-	-	13,889	4,355
-	-	4,660	4,354	1,600	-	-	11,254	17,452
-	-	906	5,095	4,010	-	6,124	24,466	7,472
-	-	-	-	-	-	-	-	-
-	-	-	-	1,796	-	-	1,985	1,484
-	127	22	5,714	3,028	-	-	10,859	14,012
-	-	-	2,544	-	-	-	4,800	4,800
-	3	1,119	4,490	2,647	-	-	9,832	19,182
-	141	676	-	-	-	-	9,118	6,804
-	-	-	11,269	24,280	-	-	46,634	42,950
-	-	-	1,004	2,039	-	-	3,813	6,084
-	678	15	705	6,752	-	-	9,573	10,263
-	125	-	4,624	5,324	-	-	14,496	17,376
-	-	-	-	-	-	-	-	1,087
-	-	455	12,533	216	666	-	13,953	11,551
-	6,437	9,972	180,505	218,384	666	6,124	581,590	668,470
-	966	1,494	27,080	32,758	100	919	86,384	70,481
322	-	-	-	-	-	-	322	1,289
<u>\$ 322</u>	<u>\$ 7,403</u>	<u>\$ 11,466</u>	<u>\$ 207,585</u>	<u>\$ 251,142</u>	<u>\$ 766</u>	<u>\$ 7,043</u>	<u>\$ 668,296</u>	<u>\$ 740,240</u>

The accompanying notes to financial statements are an integral part of this statement.

ADMINISTRATIVE SUPPORT SERVICES

	Area Plan <u>Administration</u>	HICAP <u>Administration</u>	<u>Overhead</u>	<u>Investments</u>
Salaries and wages	\$ 84,797	\$ 851	\$ 104,901	\$ -
Fringe benefits expense	<u>22,633</u>	<u>215</u>	<u>28,617</u>	<u>-</u>
Total salaries and related expenses	107,430	1,066	133,518	-
Advertising	1,790	-	406	-
Consultants	41,772	-	483	-
Expendable equipment	1,007	-	857	-
Insurance	-	-	7,945	-
Interest expense	-	-	52	-
Investment management fees	-	-	-	271
Membership and subscriptions	3,002	-	1,139	-
Office and supplies	2,469	-	3,382	-
Online services	2,970	-	2,005	-
Printing and copier expense	3,544	-	1,773	-
Professional services	-	-	10,200	-
Property taxes	-	-	59	-
Rent	12,560	-	27,520	-
Repairs and maintenance	785	-	2,169	-
Staff travel and training	3,443	-	799	-
Telephone and utilities	2,751	-	3,017	-
Volunteer expenses	846	-	-	-
Other	<u>1,007</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses before depreciation, other expenses, and losses	185,376	1,066	195,324	271
Allocated overhead	27,806	160	(162,067)	-
Depreciation	-	-	1,627	-
Realized loss on investments	-	-	-	531
Loss on disposition of equipment	-	-	-	-
Unrealized losses and investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,578</u>
TOTAL EXPENSES AND LOSSES	<u>\$ 213,182</u>	<u>\$ 1,226</u>	<u>\$ 34,884</u>	<u>\$ 4,380</u>

SCHEDULE OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2009
(With Comparative Totals for the Year Ended June 30, 2008)

ADMINISTRATIVE SUPPORT SERVICES

Miscellaneous Administrative	Real Estate Management	Fund-Raising	Total 2009	Total 2008
\$ 4,645	\$ -	\$ 3,817	\$ 199,011	\$ 214,319
1,168	-	1,053	53,686	61,551
<u>5,813</u>	<u>-</u>	<u>4,870</u>	<u>252,697</u>	<u>275,870</u>
-	-	-	2,196	923
2,450	1,844	-	46,549	44,905
13,763	-	-	15,627	2,515
-	3,485	-	11,430	8,553
43	-	132	227	128
-	-	-	271	5,720
20	-	-	4,161	4,124
4,280	-	1,058	11,189	9,838
-	-	-	4,975	4,968
4,873	-	1,237	11,427	6,908
-	410	-	10,610	10,335
-	14,686	-	14,745	-
-	56,750	-	96,830	21,929
10,014	1,674	-	14,642	6,189
248	-	-	4,490	10,010
130	2,050	-	7,948	9,558
-	-	-	846	2,032
<u>5,878</u>	<u>-</u>	<u>989</u>	<u>7,874</u>	<u>6,206</u>
47,512	80,899	8,286	518,734	430,711
7,293	-	1,243	(125,565)	(99,456)
-	23,800	-	25,427	1,721
-	-	-	531	54,419
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,578</u>	<u>2,498</u>
<u>\$ 54,805</u>	<u>\$ 104,699</u>	<u>\$ 9,529</u>	<u>\$ 422,705</u>	<u>\$ 389,893</u>

The accompanying notes to financial statement are an integral part of this statement.

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**REPORTS REQUIRED BY U.S. OFFICE OF MANAGEMENT
AND BUDGET CIRCULAR A-133**

<u>Federal Grantor</u>	<u>Federal CFDA Number</u>	<u>Grant/ Contract Number</u>
United States Department of Health and Human Services		
<u>Administration on Aging</u>		
<u>Pass Through from California Department of Aging</u>		
Special Programs for the Aging		
Title VII B - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-0809-01
Title VII A - Long Term Care Ombudsman Services for Older Individuals	93.042	AP-0809-01
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	AP-0809-01
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	AP-0809-01
Title III, Part C - Nutrition Services		
Congregate Meals and Home Delivered Meals	93.045	AP-0809-01
Title III, Part E - National Family Caregiver Support Nutrition Services Incentive Program	93.052	AP-0809-01
Health Insurance Counseling and Advocacy Program	93.053	AP-0809-01
Health Insurance Counseling and Advocacy Program	93.779	HI-0809-01
Nutrition Economic Stimulus Plan III C-2	93.705	NS-0809-01
Nutrition Economic Stimulus Plan III C-1	93.707	NS-0809-01
Special Deposit	n/a	AP-0809-01
Community Based Services Program		
A1AA Administration	n/a	AP-0809-01
Alzheimer's Day Care Resource Center	n/a	AP-0809-01
Brown Bag	n/a	AP-0809-01
Linkages	n/a	AP-0809-01
Respite Purchase of Service	n/a	AP-0809-01
Total United States Department of Health and Human Services		
United States Department of Agriculture		
Seniors Farmers Market Program	10.576	AP-0809-01
United States Department of Health and Human Services		
Health Resources and Services Administration		
Health Care and Other Facilities	93.887	4C76HF01102-01-01
United States Department of Commerce		
National Telecommunications and Information Administration		
Pass Through from National Association of Area Agencies on Aging		
Digital TV: Keeping Seniors Connected Campaign	11.553	None
Corporation for National Service		
Retired Senior Volunteer Program	94.002	06SRPCA023
TOTAL FEDERAL AND STATE AWARDS		

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended June 30, 2009

<u>Program Award Amount</u>	<u>Federal Awards Expended</u>	<u>State Awards Expended</u>
\$ 3,143	\$ 2,896	\$ -
19,613	19,613	-
11,466	11,466	-
217,363	216,462	-
578,183	321,750	255,675
98,325	92,196	-
89,324	89,324	-
247,143	81,507	165,370
6,053	230	-
12,296	461	-
7,293	-	7,013
29,789	-	29,789
72,083	-	72,083
24,692	-	24,692
214,147	-	214,147
<u>12,718</u>	<u>-</u>	<u>12,718</u>
1,643,631	835,905	781,487
10,000	10,000	-
98,356	11,182	-
10,000	5,977	-
<u>109,372</u>	<u>109,372</u>	<u>-</u>
<u>\$ 1,871,359</u>	<u>\$ 972,436</u>	<u>\$ 781,487</u>

See accompanying notes to schedule of expenditures of federal and state awards.

NOTES TO SCHEDULE OF
EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended June 30, 2009

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Area 1 Agency on Aging and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



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

To the Board of Directors of
Area 1 Agency on Aging

We have audited the financial statements of Area 1 Agency on Aging (a nonprofit organization) as of and for the year ended June 30, 2009, and have issued our report thereon dated November 2, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Area 1 Agency on Aging's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Area 1 Agency on Aging's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Area 1 Agency on Aging's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Area 1 Agency on Aging's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Area 1 Agency on Aging's financial statements that is more than inconsequential will not be prevented or detected by the Area 1 Agency on Aging's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Area 1 Agency on Aging's internal control.

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

To the Board of Directors of
Area 1 Agency on Aging

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Area 1 Agency on Aging's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Aycock and Edgmon
November 2, 2009



REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of
Area 1 Agency on Aging

Compliance

We have audited the compliance of Area 1 Agency on Aging (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. Area 1 Agency on Aging's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Area 1 Agency on Aging's management. Our responsibility is to express an opinion on Area 1 Agency on Aging's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 occurred. An audit includes examining, on a test basis, evidence about Area 1 Agency on Aging's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Area 1 Agency on Aging's compliance with those requirements.

In our opinion, Area 1 Agency on Aging complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Area 1 Agency on Aging is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Area 1 Agency on Aging's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Area 1 Agency on Aging's internal control over compliance.

To the Board of Directors of
Area 1 Agency on Aging

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

Area 1 Agency on Aging's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Area 1 Agency on Aging's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Aycock and Edgmon
November 2, 2009

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2009

A. Summary of Audit Results

1. The auditors' report expresses an unqualified opinion on the financial statements of Area 1 Agency on Aging.
2. There were no control deficiencies disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Area 1 Agency on Aging were disclosed during the audit.
4. There were no reportable conditions noted during the audit of the major federal awards programs.
5. The auditors' report on compliance for the major federal award programs for Area 1 Agency on Aging expresses an unqualified opinion on all major federal award programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.
7. The programs tested as major programs that are considered as an other cluster include:

U.S. Department of Health and Human Services, Administration on Aging

- 93.041 Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation (Title VII-B)
- 93.042 Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals (Title VII-A)
- 93.043 Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services (Title III-D)
- 93.044 Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (Title III-B)
- 93.045 Special Programs for the Aging - Title III, Part C - Nutrition Services (Title III-C)
- 93.052 Special Programs for the Aging - Title III, Part E - National Family Caregiver Support (Title III-E)
- 93.053 Nutrition Services Incentive Program

Other program tested as a major program includes Corporation for National and Community Services

- 94.002 Retired Senior Volunteer Program

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Area 1 Agency on Aging was determined to be a low-risk auditee.

B. Findings - Financial Statement Audit

None.

C. Findings and Questioned Costs - Major Federal Award Programs Audit

None.

PRIOR YEAR FINDINGS

For the Year Ended June 30, 2009

There were no prior year findings.

