

**Audited Financial Statements
and Other Financial Information**

**THE GOLDEN AGE CENTERS OF
GREATER CLEVELAND, INC.**

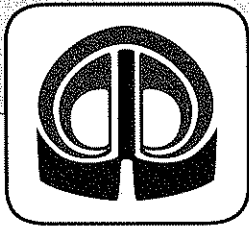
December 31, 2010

THE GOLDEN AGE CENTERS OF GREATER CLEVELAND, INC.

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Dingus and Daga, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Golden Age Centers of Greater Cleveland, Inc.
Cleveland, Ohio

We have audited the accompanying statement of financial position of The Golden Age Centers of Greater Cleveland, Inc., (Center) as of December 31, 2010, and the related statements of activities, functional expenses and cash flows for the year then ended. The financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In accordance with Government Auditing Standards, we have also issued a report dated May 18, 2011, on our consideration of The Golden Age Centers of Greater Cleveland, Inc.'s internal control over financial reporting and 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 read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of The Golden Age Centers of Greater Cleveland, Inc.'s, taken as a whole. The accompanying schedule of expenditures of federal 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 Nonprofit Organizations, and is not a required part of the basic financial statements. 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.

Dingus and Daga, Inc.

Shaker Heights, Ohio
May 18, 2011

THE GOLDEN AGE CENTERS OF GREATER CLEVELAND, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2010

(With summary financial information for December 31, 2009)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	
				2010	2009
ASSETS					
Cash and cash equivalents	\$ 202,228	\$ 105,526		\$ 307,754	\$ 169,034
Receivable - United Way Services		94,071		94,071	97,440
Pledge receivable		854,661		854,661	889,245
Accounts receivable:					
Government	110,171			110,171	192,933
Other	30,122			30,122	55,751
Prepaid expenses	12,046			12,046	25,726
Investments	200,992		\$ 665,285	866,277	1,033,885
Property and equipment (net)	236,013			236,013	304,820
TOTAL ASSETS	<u>\$ 791,572</u>	<u>\$ 1,054,258</u>	<u>\$ 665,285</u>	<u>\$ 2,511,115</u>	<u>\$ 2,768,834</u>
LIABILITIES					
Accounts payable	\$ 114,592			\$ 114,592	\$ 58,981
Accrued expenses	80,385			80,385	98,281
Line of credit					69,961
TOTAL LIABILITIES	<u>194,977</u>			<u>194,977</u>	<u>227,223</u>
NET ASSETS					
Undesignated	308,908			308,908	509,787
Property	236,013			236,013	304,820
Unrealized gain on investments	51,674			51,674	7,064
Temporarily restricted		\$ 1,054,258		1,054,258	1,054,655
Permanently restricted			\$ 665,285	665,285	665,285
TOTAL NET ASSETS	<u>596,595</u>	<u>1,054,258</u>	<u>665,285</u>	<u>2,316,138</u>	<u>2,541,611</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 791,572</u>	<u>\$ 1,054,258</u>	<u>\$ 665,285</u>	<u>\$ 2,511,115</u>	<u>\$ 2,768,834</u>

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

THE GOLDEN AGE CENTERS OF GREATER CLEVELAND, INC.

STATEMENT OF ACTIVITIES

For the year ended December 31, 2010
(With summary financial information for the year ended December 31, 2009)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	
				2010	2009
PUBLIC SUPPORT AND REVENUE:					
Contributions:					
United Way Services	\$ 110,515	\$ 94,071		\$ 204,586	\$ 213,729
In-Kind	1,196,314			1,196,314	1,127,283
Other	134,990			134,990	586,848
Grants:					
Foundations		161,966		161,966	271,800
Government	1,200,720			1,200,720	1,353,990
Membership	2,053			2,053	1,507
Investment income	18,103			18,103	20,605
Bistro plus program	67,857			67,857	150,545
Special events	126,530			126,530	131,578
Miscellaneous	8,522			8,522	16,396
Realized gain (loss) on investments	11,524			11,524	(43,542)
Net assets released from restrictions:	256,434	(256,434)			
TOTAL PUBLIC SUPPORT AND REVENUE	3,133,562	(397)		3,133,165	3,830,739
EXPENSES:					
Social Services	296,223			296,223	252,433
Meal Services	2,141,214			2,141,214	2,051,022
Social Development	299,912			299,912	389,628
Transportation	189,404			189,404	190,099
Management and General	290,401			290,401	226,906
Fundraising	186,094			186,094	192,419
TOTAL EXPENSES	3,403,248			3,403,248	3,302,507
CHANGE IN NET ASSETS BEFORE UNREALIZED GAIN/(LOSS) ON INVESTMENT					
Unrealized gain on investment	(269,686)	(397)		(270,083)	528,232
	44,610			44,610	54,778
CHANGE IN NET ASSETS	(225,076)	(397)		(225,473)	583,010
NET ASSETS AT BEGINNING OF YEAR	821,671	1,054,655	\$ 665,285	2,541,611	1,958,601
NET ASSETS AT END OF YEAR	\$ 596,595	\$ 1,054,258	\$ 665,285	\$ 2,316,138	\$ 2,541,611

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

THE GOLDEN AGE CENTERS OF GREATER CLEVELAND, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2010
(With summary financial information for the year ended December 31, 2009)

	Program Services					Supportive Services			Totals	
	Social Services	Meal Services	Social Development	Transportation	Total Program Services	Management and General	Fund Raising	Supportive Services	2010	2009
Expenses:										
Salaries and wages	\$ 245,589	\$ 517,088	\$ 135,920	\$ 42,294	\$ 940,891	\$ 108,147	\$ 80,857	\$ 189,004	\$ 1,129,895	\$ 1,157,446
Employee benefits	13,879	22,159	10,093	5,080	51,211	9,334	4,433	13,767	64,978	54,283
Payroll taxes	27,287	56,143	16,549	6,228	106,207	11,498	8,987	20,485	126,692	150,908
Total salaries and related expenses	286,755	595,390	162,562	53,602	1,098,309	128,979	94,277	223,256	1,321,565	1,362,637
Professional fees and services		140		1,039	1,179	104,766		104,766	105,945	58,847
Materials and supplies	533	2,479	1,191	110	4,313	3,301	2,652	5,953	10,266	14,107
Purchased meals		259,512			259,512				259,512	191,658
Communications	4,053	12,894	4,397	565	21,909	3,985	3,576	7,561	29,470	30,459
Bistro plus advertising		39,390			39,390				39,390	48,162
Postage and shipping	156	149	465	4	774	198	792	990	1,764	3,249
Occupancy	1,765	33,716	5,167	579	41,227	24,418	11,011	35,429	76,656	80,832
Outside printing						2,109	968	3,077	3,077	4,501
Transportation	577	62,111	1,439	123,766	187,893	1,806	370	2,176	190,069	194,172
Minor equipment purchases and repair	937	6,598	2,031	512	10,078	8,751	7,117	15,868	25,946	20,719
Conferences, conventions, and meetings		150			150	3,719		3,719	3,869	4,177
Interest expense						1,923		1,923	1,923	1,814
Special events							64,711	64,711	64,711	78,869
Miscellaneous		397			397	4,167		4,167	4,564	14,173
Total expenses before depreciation and In-Kind	294,776	1,012,926	177,252	180,177	1,665,131	288,122	185,474	473,596	2,138,727	2,108,376
Depreciation In-Kind	1,447	53,187	1,447	9,227	65,308	2,279	620	2,899	68,207	66,847
Salaries & related expenses		246,653	34,445		281,098				281,098	218,912
Occupancy		359,745	86,768		446,513				446,513	443,460
Meals		468,703			468,703				468,703	464,912
Total expenses	\$ 296,223	\$ 2,141,214	\$ 299,912	\$ 189,404	\$ 2,926,753	\$ 290,401	\$ 186,094	\$ 476,495	\$ 3,403,248	\$ 3,302,507

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

THE GOLDEN AGE CENTERS OF GREATER CLEVELAND, INC.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2010
 (With summary financial information for the year ended December 31, 2009)

	Totals	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (225,473)	\$ 583,010
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	68,207	66,847
Unrealized gain on investments	(44,610)	(54,778)
Realized (gain) loss on investments	(11,524)	43,542
(Increase) decrease in operating assets:		
United Way Services	3,369	13,770
Pledge receivable	34,584	32,522
Government receivables	82,762	(24,645)
Other receivables	25,629	(44,097)
Prepaid expenses and other assets	13,680	7,436
Increase (decrease) in operating liabilities		
Accounts payable	55,611	(9,732)
Accrued expenses	(17,896)	16,053
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	<u>(15,661)</u>	<u>629,928</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment		(68,059)
Proceeds on sale of property and equipment	600	
Purchase of investments	(24,085)	(1,551,914)
Sale of investments	247,827	1,008,548
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	<u>224,342</u>	<u>(611,425)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments of line of credit	(69,961)	(30,000)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	138,720	(11,497)
BEGINNING CASH AND CASH EQUIVALENTS	<u>169,034</u>	<u>180,531</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 307,754</u>	<u>\$ 169,034</u>

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

THE GOLDEN AGE CENTERS OF GREATER CLEVELAND, INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organizational Purpose:

The Golden Age Centers of Greater Cleveland, Inc., (Center) is a private, nonprofit social service Center which provides group and individual services to the elderly at multiple locations in the Cleveland, Ohio area. The Center is funded primarily from government grants, the United Way and foundation grants.

Revenue from Grants and Contracts:

The Center receives funds from grants and contracts from certain government agencies, which are expendable only for specified purposes. Revenue is recognized on the grant or contract period as costs are incurred. Amounts related to these grants are recorded as unrestricted and are as follows:

Community Development Block Grant	\$ 236,574
Older American Act - Title III-B	214,235
Older American Act - Title III-C	328,801
Older American Act - Title III-E	2,064
Passport Meal Program	262,727
Cuyahoga County Adult Services	28,287
Cuyahoga County Options Meal Program	<u>128,032</u>
Total	<u>\$1,200,720</u>

Government grants and contracts are recognized on an annual basis. Amounts are subject to increases and decreases or elimination based on available government revenue and changing public policies.

Property and Equipment:

The Center's policy is to capitalize assets with estimated useful lives greater than one year and an acquisition cost of \$1,500 or greater.

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets (5-10 years). Donated items are reflected as contributions at their estimated fair market values at the date of contribution.

THE GOLDEN AGE CENTERS OF GREATER CLEVELAND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended December 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd):

Property and Equipment (Cont'd):

Property and equipment consists of the following at December 31, 2010:

Building equipment	\$ 78,581
Furniture and fixtures	102,364
Vehicles	<u>452,740</u>
	633,685
Accumulated depreciation	<u>(397,672)</u>
Property and Equipment - net	<u>\$ 236,013</u>

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial Statement Presentation:

The Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Summarized Information:

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended December 31, 2009, from which the summarized information was derived.

THE GOLDEN AGE CENTERS OF GREATER CLEVELAND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended December 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd):

Contributions:

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions restricted to endowment are subject to restrictions which generally require that the principal be invested in perpetuity. Earnings are generally transferable to the unrestricted fund and become available for general operating purposes.

Contributions are recognized when the donor makes a promise to give to the Center, that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Subsequent Events:

The Center has evaluated subsequent events for potential recognition and/or disclosure through May 18, 2011, the date the financial statements were available to be issued.

Cash and Cash Equivalents:

Cash and cash equivalents consist primarily of cash in a checking account and a money market savings account placed with a financial institution.

Investments:

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. At December 31, 2010, investments consist of the following:

THE GOLDEN AGE CENTERS OF GREATER CLEVELAND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended December 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd):

Investments (Cont'd):

	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain</u>
Cash and cash equivalents	\$ 23,763	\$ 23,763	
Common Stock	615,812	662,777	\$ 46,965
Fixed Income	<u>175,028</u>	<u>179,737</u>	<u>4,709</u>
	<u>\$ 814,603</u>	<u>\$ 866,277</u>	<u>\$ 51,674</u>

Fair Value of Financial Instruments:

The Center values its financial instruments as required by generally accepted accounting principles ("GAAP"). The fair value of cash, accounts receivable and other short-term receivables and obligations approximate their carrying values because of the short maturity of these financial instruments.

GAAP also establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Uses unadjusted quoted prices that are available in active markets for identical assets or liabilities as of the reporting date.

Level 2 – Uses inputs other than Level 1 that are either directly or indirectly observable as of the reporting date through correlation with market data, including quoted prices for similar assets or liabilities in active markets and quoted prices in markets that are not active. Level 2 also includes assets and liabilities that are valued using models or other pricing methodologies that do not require significant judgment since the input assumptions used in the models, such as interest rates, are corroborated by readily observable data.

THE GOLDEN AGE CENTERS OF GREATER CLEVELAND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended December 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd):

Fair Value of Financial Instruments (Cont'd):

Level 3 – Uses inputs that are unobservable and are supported by little or no market activity and reflect the use of significant management judgment. These values are generally determined using pricing models for which assumptions utilize management's estimates of market participant assumptions.

The following table sets forth by level within the fair value hierarchy the Center's financial assets that were accounted for at a fair value on a recurring basis as of December 31, 2010. The financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Center's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and their placement within the fair value hierarchy levels.

Assets at Fair Value as of December 31, 2010

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments	\$ 866,277			\$ 866,277

2. CONCENTRATION OF CREDIT RISK:

The Center maintains cash and cash equivalents at a financial institution located in Cleveland, Ohio, which, at times, may exceed federally insured amounts and may significantly exceed statement of financial position amounts due to outstanding checks.

The Center also maintains money market funds and investment securities at two investment institutions located in Cleveland, Ohio. There is no insurance or collateral placed on those investments. The market value of the total investments was \$866,277 for the year ended December 31, 2010.

3. LINE OF CREDIT:

The Center has a \$100,000 line of credit available for operations. The Center had no outstanding balance at December 31, 2010. The line of credit bears interest at the bank's prime rate (3.25% at December 31, 2010).

THE GOLDEN AGE CENTERS OF GREATER CLEVELAND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended December 31, 2010

4. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets at December 31, 2010 consist of:

Allocation due from United Way Services designated for future operations	\$ 94,071
Unrestricted pledge receivable	749,245
Multi-generational reading program	40,000
Capacity building initiative	50,000
Technology	3,026
Home delivered meal program	<u>117,916</u>
	<u>\$1,054,258</u>

Pledge receivables include the amount due from United Way Services for the next fiscal year's general allocation, the Unrestricted pledge receivable, \$55,416 for the Home delivered meal program, and the Capacity building initiative. The Unrestricted pledge receivable consists of a \$1 million pledge, of which \$200,000 was received in 2009. The collections beyond one year were discounted by \$50,755. No allowance was deemed necessary for these pledges. The total pledge receivables are expected to be collected as follows: \$399,487 in year one and \$549,245 between one and five years.

5. PERMANENTLY RESTRICTED NET ASSETS:

Permanently restricted net assets consist of the original donated value of investments in connection with the following funds:

BOLTON FUND	\$ 54,250
PERRY FUND	3,669
RIPPNER FUND	35,227
M. O'NEILL FUND	10,652
BOTTOMLY FUND	26,544
F. J. O'NEILL FUND	324,707
A.K. MACCRACKEN FUND	10,000
LOUISE CRANE	137,344
VIRGINIA MAPES	37,323
R.E. BINGHAM FUND	1,000
ANN BASSETT	5,000
BETTY JUDGE	2,319
P. & J. ALANDT FUND	1,250
JACOB ROSENBAUM	15,000
ELEANOR GRIST	<u>1,000</u>
	<u>\$ 665,285</u>

THE GOLDEN AGE CENTERS OF GREATER CLEVELAND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended December 31, 2010

5. PERMANENTLY RESTRICTED NET ASSETS (Cont'd):

MARGARET F. BOLTON FUND - Income (and principal, if necessary) for James H. Woods Golden Age Center.
JEAN E. PERRY FUND - For the benefit of the Lucia J. Bing Golden Age Center.
NATHAN V. RIPPNER FUND - For support of social services provided by the Golden Age Centers.
MARGARET P. O'NEILL FUND - Income in support of training of staff of the Golden Age Centers.
ELEANOR BOTTOMLY FUND - For the benefit of the Lake Shore Golden Age Center.
F.J. O'NEILL FUND - Income in support of the general operations of the Golden Age Centers.
LOUISE CRANE - Income in support of the general operations of the Golden Age Centers.
VIRGINIA MAPES - Income in support of the general operations of the Golden Age Centers.
A.K. MACCRACKEN FUND - Income in support of the general operations of the Golden Age Centers.
R.E. BINGHAM FUND - Income in support of the general operations of the Golden Age Centers.
P. & J. ALANDT FUND - Income in support of training of staff of the Golden Age Centers.
ANN BASSETT FUND - Income in support of the general operations of the Golden Age Centers.
BETTY JUDGE FUND - Income in support of the general operations of the Golden Age Centers.
JACOB ROSENBAUM - Income in support of the general operations of the Golden Age Centers.
ELEANOR GRIST - Income in support of the general operations of the Golden Age Centers.

6. ENDOWMENT FUNDS:

The Board of Directors of the Center has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Center classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Center in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

THE GOLDEN AGE CENTERS OF GREATER CLEVELAND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended December 31, 2010

6. ENDOWMENT FUNDS (Cont'd):

- (1) The duration and preservation of the various funds,
- (2) The purposes of the donor-restricted endowment funds,
- (3) General economic conditions,
- (4) The possible effect of inflation and deflation,
- (5) The expected total return from income and the appreciation of investments,
- (6) Other resources of the Center, and
- (7) The Center's investment policies.

Endowment net asset composition by type of fund as of December 31, 2010 is as follows:

	2010 Permanently <u>Restricted</u>
Donor-restricted endowment	<u>\$665,285</u>

Changes in the endowment net assets for the year ended December 31, 2010 were as follows:

Endowment investments, beginning of year	\$ 665,285
Investment returns:	
Investment income	18,022
Net appreciation (realized and unrealized)	<u>50,895</u>
Total investment returns	68,917
Transfer to other funds	<u>(68,917)</u>
Endowment investments, end of year	<u>\$ 665,285</u>

Funds with deficiencies:

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires The Center to retain as a fund of perpetual duration. These deficiencies can result from unfavorable market fluctuations. The value of the restricted funds did not fall below the original restricted amounts.

THE GOLDEN AGE CENTERS OF GREATER CLEVELAND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended December 31, 2010

6. ENDOWMENT FUNDS (Cont'd):

Return Objectives and Risk Parameters:

The Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Center must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to grow in excess of the spending rate in a conservative manner. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives:

To satisfy its long-term rate-of-return objectives, the Center relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Center targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy:

The Center has a policy of appropriating distributions for its programs on an annual basis, of approximately 5% of the market value of the Center's total investments, of which the endowment fund assets are a part. The Board of Directors, at their discretion, may authorize an additional investment transfer over 5% to the operating fund if needed.

7. IN-KIND SUPPORT, REVENUE AND EXPENSES:

The Center records the fair market value of various goods, facilities and services donated by third parties in the statement of activities. The amounts reflect the value of the services provided to the Center and indicates the resources needed to provide the services if the contributed goods, facilities and services became unavailable. The amounts have no impact on the change or the amount of net assets.

THE GOLDEN AGE CENTERS OF GREATER CLEVELAND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended December 31, 2010

7. IN-KIND SUPPORT, REVENUE AND EXPENSES (Cont'd):

The Center records the fair market value of various goods, facilities and services donated by third parties in the statement of activities. The amounts reflect the value of the services provided to the Center and indicates the resources needed to provide the services if the contributed goods, facilities and services became unavailable. The amounts have no impact on the change or the amount of net assets.

These facilities and services in the amount of \$1,196,314 for 2010 are included in public support and revenue.

In addition, the Center benefits from substantial volunteer efforts from its board members and others and donations of various discounted goods, facilities and services on an ongoing basis. Such benefits are not recorded in the statement of activities because the fair market value of these benefits cannot be determined.

8. PENSION PLAN:

The Center has a 403(b) defined contribution plan for all eligible participants. Under the plan, the Center is required to match twenty-five percent (25%) of eligible employee contributions up to a maximum of one percent (1%) of the employee's annual salary. Total expense under the plan was \$3,704 in 2010.

9. OPERATING LEASES:

The Center renewed the lease agreement for its office facilities under a 3 year renewable lease agreement starting June 1, 2008 with monthly payments of \$4,226. A new lease agreement will be negotiated in April, 2011. Rent expense in 2010 associated with this lease was \$46,485.

The Center is also leasing copiers. Monthly payments under the lease terms are approximately \$1,400. Expense in 2010 associated with these leases was \$16,956.

Future minimum payments on these leases are as follows:

THE GOLDEN AGE CENTERS OF GREATER CLEVELAND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended December 31, 2010

9. OPERATING LEASES (Cont'd):

2011	\$	33,700
2012		15,600
2013		<u>2,000</u>
	\$	<u>51,300</u>

10. FEDERAL INCOME TAX:

The Center is a nonprofit health and welfare organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation.

GOLDEN AGE CENTERS OF GREATER CLEVELAND, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2010

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>EXPENDITURES</u>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed Through Western Reserve Area Agency on Aging			
Title III-C	93.045	N/A	\$ 258,678
Title III-C: Meals	93.045	N/A	468,703
Title III-B	93.044	N/A	214,235
Title III-ARRA Congregate	93.707	N/A	66,932
Title III-ARRA Home Delivered	93.705	N/A	3,191
Title III-E	93.052	N/A	2,064
Passport	93.778	N/A	262,727
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Passed Through the City of Cleveland			
Community Development Block Grant	14.218	N/A	236,574
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,513,104</u></u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

THE GOLDEN AGE CENTERS OF GREATER CLEVELAND, INC.

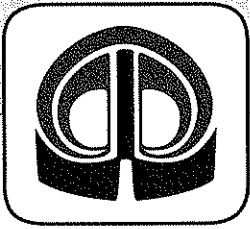
NOTE TO SUPPLEMENTAL SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

Year Ended December 31, 2010

1. BASIS OF ACCOUNTING

The accompanying Supplemental Schedule of Expenditures of Federal Awards is presented as follows:

- As described in Note 1, the Center's accounts are maintained on the full accrual basis of accounting where revenues are recorded as earned and expenses are recognized when they are incurred.



Dingus and Daga, Inc.

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Directors
The Golden Age Centers of Greater Cleveland, Inc.
Cleveland, Ohio

We have audited the financial statements of The Golden Age Centers of Greater Cleveland, Inc., (Center) as of and for the year ended December 31, 2010, and have issued our report thereon dated May 18, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on 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 Center's financial statements will not be prevented or detected and corrected on a timely basis.

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

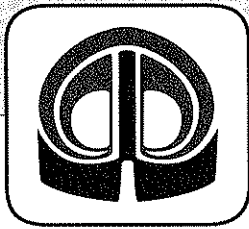
Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Golden Age Centers of Greater Cleveland, Inc.'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 statements 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, management, others within the organization 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.

Dingus and Daga, Inc.

Shaker Heights, Ohio
May 18, 2011



Dingus and Daga, Inc.

Certified Public Accountants

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

Board of Directors
The Golden Age Centers of Greater Cleveland, Inc.
Cleveland, Ohio

Compliance

We have audited the compliance of The Golden Age Centers of Greater Cleveland, Inc., 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 its major federal program for the year ended December 31, 2010. The Golden Age Centers of Greater Cleveland, Inc.'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 The Golden Age Centers of Greater Cleveland, Inc.'s management. Our responsibility is to express an opinion on The Golden Age Centers of Greater Cleveland, Inc.'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 Government, 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 The Golden Age Centers of Greater Cleveland, Inc.'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 on The Golden Age Centers of Greater Cleveland, Inc.'s compliance with those requirements.

In our opinion, The Golden Age Centers of Greater Cleveland, Inc., 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 December 31, 2010. The results of our auditing procedures disclosed no instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133.

Internal Control Over Compliance

Management of The Golden Age Centers of Greater Cleveland, Inc., 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 The Golden Age Centers of Greater Cleveland, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Golden Age Centers of Greater Cleveland, Inc.'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 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 will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the audit committee, management, others within the organization 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.

Dingus and Daga, Inc.

Shaker Heights, Ohio
May 18, 2011

THE GOLDEN AGE CENTERS OF GREATER CLEVELAND, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2010

PART I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

Material weakness(es) identified? no

Significant deficiencies identified not considered to be material weaknesses? no

Noncompliance material to financial statements noted? no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? no

Significant deficiencies identified not considered to be material weaknesses? none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a) no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.045	Title III-C
93.045	Title III-C: Meals

THE GOLDEN AGE CENTERS OF GREATER CLEVELAND, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended December 31, 2010

PART I - SUMMARY OF AUDITOR'S RESULTS (Cont'd)

Federal Awards (Cont'd)

93.044	Title III-B
93.707	Title III-ARRA Congregate
93.705	Title III-ARRA Home Delivered
93.052	Title III-E

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
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Auditee qualified as low-risk auditee?	yes
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PART II - FINANCIAL STATEMENT FINDINGS

No matters are reportable

PART III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters are reportable

THE GOLDEN AGE CENTERS OF GREATER CLEVELAND, INC.
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2010

No matters are reportable