

**NORTHEAST FLORIDA AREA  
AGENCY ON AGING, INC.**

d/b/a ElderSource  
(A Non-Profit Corporation)

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2011

**Financial Statements and  
Supplementary Information  
Northeast Florida Area Agency on Aging, Inc.  
d/b/a ElderSource  
For the Year Ended December 31, 2011**

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## Independent Auditors' Report

Board of Directors  
Northeast Florida Area Agency on Aging, Inc.  
d/b/a ElderSource  
Jacksonville, Florida

We have audited the accompanying statement of financial position of the Northeast Florida Area Agency on Aging, Inc. d/b/a ElderSource (the "Agency") (a non-profit corporation and subsidiary of ElderSource, Inc.) as of December 31, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information was derived from the Agency's 2010 financial statements which were audited by other auditors whose report dated August 9, 2011, expressed an unqualified opinion on those statements.

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 2011 financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2011, and the changes in its net assets and 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 our report dated September 19, 2012 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants, 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,

To the Board of Directors  
Northeast Florida Area Agency on Aging, Inc.  
d/b/a ElderSource  
Jacksonville, Florida

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 conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards and State Financial Assistance, which is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.650, Rules of the Auditor General, and the Schedule of Expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Cara Riggs & Ingram, LLC*

September 19, 2012  
Gainesville, Florida

**Statement of Financial Position**  
**December 31, 2011**  
**(With Summarized Comparative Financial Information at December 31, 2010)**  
**Northeast Florida Area Agency on Aging, Inc.**  
**d/b/a ElderSource**

	2011	2010
<b><u>CURRENT ASSETS</u></b>		
Cash	\$ 18,615	\$ 27,650
Restricted Cash	155,363	322,898
Grant and Contract Receivables	2,010,432	2,362,599
Prepaid Expenses	10,642	2,713
Total Current Assets	2,195,052	2,715,860
<b><u>DUE FROM AFFILIATES</u></b>		
	31,582	67,680
<b><u>PROPERTY AND EQUIPMENT</u></b>		
Furniture and Equipment	312,950	305,044
Leasehold Improvements	77,687	77,687
	390,637	382,731
Less: Accumulated Depreciation	331,134	267,152
Net Property and Equipment	59,503	115,579
<b>TOTAL ASSETS</b>	<b>\$ 2,286,137</b>	<b>\$ 2,899,119</b>
<b><u>CURRENT LIABILITIES</u></b>		
Accounts Payable and Accrued Expenses	\$ 124,396	\$ 202,866
Due to Providers	1,673,671	1,945,029
Deferred Revenue	168,486	299,036
<b>TOTAL LIABILITIES</b>	<b>1,966,553</b>	<b>2,446,931</b>
<b><u>NET ASSETS</u></b>		
Unrestricted	319,584	392,405
Temporarily Restricted	-	59,783
<b>TOTAL NET ASSETS</b>	<b>319,584</b>	<b>452,188</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,286,137</b>	<b>\$ 2,899,119</b>

The accompanying "Notes to Financial Statements"  
form an integral part of this statement.

**Statement of Activities**  
**For the Year Ended December 31, 2011**  
**(With Summarized Comparative Financial Information for the Year Ended December 31, 2010)**  
**Northeast Florida Area Agency on Aging, Inc.**  
**d/b/a ElderSource**

	2011			2010
	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL	
<b><u>GRANT AND CONTRACT REVENUES</u></b>				
Grants and Contracts:				
State of Florida				
Department of Elder Affairs	\$ -	\$ 14,210,967	\$ 14,210,967	\$ 15,507,991
United Way	-	100,000	100,000	100,000
Other Restricted	-	277,420	277,420	258,121
<b>TOTAL GRANTS AND CONTRACTS</b>	<b>-</b>	<b>14,588,387</b>	<b>14,588,387</b>	<b>15,866,112</b>
<b><u>OTHER REVENUES</u></b>				
Contributions	486	-	486	-
Miscellaneous Income	9,987	-	9,987	45,767
Investment Income	340	-	340	6,214
<b>TOTAL OTHER REVENUES</b>	<b>10,813</b>	<b>-</b>	<b>10,813</b>	<b>51,981</b>
Net Assets Released from Restrictions	14,648,170	(14,648,170)	-	-
<b>TOTAL REVENUES</b>	<b>14,658,983</b>	<b>(59,783)</b>	<b>14,599,200</b>	<b>15,918,093</b>
<b><u>EXPENSES</u></b>				
Program Services	13,872,907	-	13,872,907	14,981,329
Supporting Services:				
Management and General	858,897	-	858,897	984,235
<b>TOTAL EXPENSES</b>	<b>14,731,804</b>	<b>-</b>	<b>14,731,804</b>	<b>15,965,564</b>
<b>CHANGE IN NET ASSETS</b>	<b>(72,821)</b>	<b>(59,783)</b>	<b>(132,604)</b>	<b>(47,471)</b>
<b>NET ASSETS – January 1</b>	<b>392,405</b>	<b>59,783</b>	<b>452,188</b>	<b>499,659</b>
<b>NET ASSETS – December 31</b>	<b>\$ 319,584</b>	<b>\$ -</b>	<b>\$ 319,584</b>	<b>\$ 452,188</b>

The accompanying "Notes to Financial Statements"  
form an integral part of this statement.

**Statement of Functional Expenses**  
**For the Year Ended December 31, 2011**  
**(With Summarized Comparative Financial Information for the Year Ended December 31, 2010)**  
**Northeast Florida Area Agency on Aging, Inc.**  
**d/b/a ElderSource**

	2011			2010
	PROGRAM SERVICES	MANAGEMENT & GENERAL	TOTAL EXPENSES	
<b><u>PERSONNEL EXPENSES</u></b>				
Salaries	\$ 830,650	\$ 443,169	\$ 1,273,819	\$ 1,268,345
Employee Benefits and Payroll Taxes	268,232	135,629	403,861	389,554
<b>TOTAL PERSONNEL EXPENSES</b>	<b>1,098,882</b>	<b>578,798</b>	<b>1,677,680</b>	<b>1,657,899</b>
<b><u>OTHER EXPENSES</u></b>				
Payments to Providers	11,959,543	-	11,959,543	13,292,154
Program Expenses	492,607	-	492,607	336,150
Building	112,020	10,837	122,857	120,751
Communication and Postage	42,042	12,632	54,674	59,676
Equipment	27,881	13,847	41,728	10,167
Maintenance	4,828	9,024	13,852	29,979
Printing and Supplies	31,559	23,517	55,076	26,417
Professional Fees	41,971	66,913	108,884	99,174
Staff Development	16,226	5,604	21,830	23,355
Travel	43,736	32,642	76,378	68,760
Other	1,612	41,101	42,713	179,507
Depreciation	-	63,982	63,982	54,908
Non-cash Rent Expense	-	-	-	6,667
<b>TOTAL OTHER EXPENSES</b>	<b>12,774,025</b>	<b>280,099</b>	<b>13,054,124</b>	<b>14,307,665</b>
<b>TOTAL EXPENSES</b>	<b>\$ 13,872,907</b>	<b>\$ 858,897</b>	<b>\$ 14,731,804</b>	<b>\$ 15,965,564</b>

The accompanying "Notes to the Financial Statements"  
form an integral part of this statement.

**Statement of Cash Flows**  
**For the Year Ended December 31, 2011**  
**(With Summarized Comparative Financial Information at December 31, 2010)**  
**Northeast Florida Area Agency on Aging, Inc.**  
**d/b/a ElderSource**

	2011	2010
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in Net Assets	\$ (132,604)	\$ (47,471)
Adjustments to Reconcile Change in Net Assets to Net Cash Used By Operating Activities:		
Depreciation	63,982	54,908
Non-cash Rent Expense	-	6,667
Changes in Operating Assets and Liabilities:		
Grant and Contract Receivables	352,167	(493,045)
Prepaid Expenses	(7,929)	7,287
Due to (from) Affiliates	36,098	(70,848)
Accounts Payable and Accrued Expenses	(78,470)	(49,010)
Due to Providers	(271,358)	98,604
Deferred Revenue	(130,550)	75,040
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b>(168,664)</b>	<b>(417,868)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of Property and Equipment	(7,906)	(35,700)
<b>NET CHANGE IN CASH</b>	<b>(176,570)</b>	<b>(453,568)</b>
CASH - January 1	350,548	804,116
CASH - December 31	<b>\$ 173,978</b>	<b>\$ 350,548</b>

The accompanying "Notes to Financial Statements"  
form an integral part of this statement.

**Notes to Financial Statements**  
**December 31, 2011**  
**Northeast Florida Area Agency on Aging, Inc.**  
**d/b/a ElderSource**

**NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Organization

Northeast Florida Area Agency on Aging, Inc., d/b/a ElderSource (the “Agency”) is a non-profit organization incorporated in 1974 and subsidiary of ElderSource, Inc., effective November 25, 2009. The Agency monitors and oversees various programs for the Department of Elder Affairs in Baker, Clay, Duval, Flagler, Nassau, St. Johns, and Volusia counties that help elders attain needed services.

The majority of the Agency's funding is provided on a pass-through basis from the U.S. Department of Health and Human Services and directly from the State of Florida Department of Elder Affairs.

Basis of Accounting

The financial statements are presented on the accrual basis of accounting.

Financial Statement Presentation

The financial statements are presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"). GAAP requires that net assets and revenue, gains, expenses, and losses be classified as unrestricted, temporarily restricted, and permanently restricted based on the following criteria:

- Unrestricted net assets represent expendable funds available for operations, which are not otherwise limited by donor restrictions.
- Temporarily restricted net assets consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Agency may spend the funds.
- Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

Common expenses are incurred which support the work performed under more than one grant. All costs incurred in administering the various programs are charged to a combined administrative cost pool. Such expenses are charged to various grants, on a pro rata basis based on program expenses.

**Notes to Financial Statements**  
**December 31, 2011**  
**Northeast Florida Area Agency on Aging, Inc.**  
**d/b/a ElderSource**

**NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Income Taxes

The Agency is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes. The Agency has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2011. Fiscal years ending on or after December 31, 2008 remain subject to examination by federal and state tax authorities.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect (1) the reported amounts of assets and liabilities; (2) disclosure of contingent assets and liabilities at the date of the financial statements; and, (3) the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

Cash consists of cash on hand and deposits in banks. The Agency regularly maintains deposits in excess of the FDIC limits.

Restricted cash is comprised of proceeds from various grants to be utilized for specific grant purposes.

Receivables

Contractual and grant receivables and the related revenue and support are recognized when the related service is performed or expense is incurred.

An allowance for uncollectible grant and contract receivables is estimated and based on management's judgment of the collectability of these receivables in future years. At December 31, 2011, the Agency considered all remaining receivables to be fully collectible. Accordingly, there was no allowance for doubtful accounts.

Property and Equipment

Property and equipment are recorded at cost when purchased or estimated fair value at date of donation when contributed. The Agency capitalizes property and equipment if it has a life of more than one year and an acquisition cost of at least \$1,000. Depreciation is computed using the straight-line method over estimated useful lives ranging from three to ten years. For property purchased with grant funding, the State of Florida retains a reversionary interest.

**Notes to Financial Statements**  
**December 31, 2011**  
**Northeast Florida Area Agency on Aging, Inc.**  
**d/b/a ElderSource**

**NOTE 2 – DUE FROM/TO AFFILIATES**

The Agency has contracted with an affiliated not-for-profit entity to execute certain private grants obtained by the Agency. Revenues and expenses associated with those grants are allocated to the affiliated entity. The Agency also provides certain administrative, facility, and operating services to certain affiliated not-for-profit entities and charges the affiliates for the cost of those services. The amounts Due From/To Affiliates are non-interest bearing and represent the balance of the expenses charged to the affiliated entities, net of repayments to the Agency.

**NOTE 3 – OPERATING LEASES**

The Agency leases office equipment under operating lease agreements that expire in April 2013.

Office facilities are also leased under a non-cancellable operating lease expiring in December 2016. Included within the monthly lease payments are the Agency's share of real estate taxes, insurance, and maintenance.

Lease expense for the year ended December 31, 2011 was \$147,276.

Future minimum lease payments as of December 31, 2011 are:

2012	\$ 152,760
2013	140,920
2014	135,000
2015	135,000
2016	<u>135,000</u>
Total	<u>\$ 698,680</u>

**NOTE 4 – RETIREMENT PLAN**

Substantially all employees participate in the Agency's retirement plan. The plan is classified as a defined contribution plan to which the Agency contributes 10% of covered employees' compensation. The total retirement plan expense for the years ended December 31, 2011 was \$97,793.

**NOTE 5 – CONCENTRATION OF CREDIT RISK**

The Agency received approximately 96% of its revenue from the Florida Department of Elder Affairs for the years ended December 31, 2011. Additionally, nearly all grant and contract receivables reported at year end come from these revenues.

**Notes to Financial Statements**  
**December 31, 2011**  
**Northeast Florida Area Agency on Aging, Inc.**  
**d/b/a ElderSource**

NOTE 6 – DONATED SERVICES

No amounts have been reflected in the statements for donated services. The Agency generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Agency in performing its mission.

NOTE 7 – PRIOR YEAR FINANCIAL 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended December 31, 2010, from which the summarized information was derived.

NOTE 8 – SUBSEQUENT EVENTS

The Agency evaluated the effect subsequent events would have on the financial statements through September 19, 2012, which is the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**Schedule of Expenses**  
**For the Year Ended December 31, 2011**  
**Northeast Florida Area Agency on Aging, Inc.**  
**d/b/a ElderSource**

	HOME CARE FOR THE ELDERLY	COMMUNITY CARE FOR THE ELDERLY	SAFETY NET	VDHC	COMMUNITY FOUNDATION	OLDER AMERICANS ACT (ARRA)
<b>EXPENSES</b>						
Salaries	\$ 54,057	\$ 40,927	\$ -	\$ 1,890	\$ -	\$ -
Employee Benefits and Payroll Taxes	7,812	14,446	-	-	-	-
Payments to Providers	214,461	3,765,369	-	-	-	42,663
Program Expenses	109	-	110,575	1,530	7,184	-
Building	6,803	11,965	-	-	-	-
Communication and Postage	690	70	-	-	10	-
Equipment	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Printing and Supplies	75	-	-	-	-	-
Professional Fees	-	-	-	-	-	-
Staff Development	-	-	-	-	-	-
Travel	-	-	-	23	44	-
Other	-	22	-	-	-	-
Depreciation	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>284,007</b>	<b>3,832,799</b>	<b>110,575</b>	<b>3,443</b>	<b>7,238</b>	<b>42,663</b>
Allocation of Management & General	17,587	237,341	6,847	213	447	2,643
<b>TOTAL EXPENSES AFTER ALLOCATION</b>	<b>\$ 301,594</b>	<b>\$ 4,070,140</b>	<b>\$ 117,422</b>	<b>\$ 3,656</b>	<b>\$ 7,685</b>	<b>\$ 45,306</b>

**Schedule of Expenses**  
**For the Year Ended December 31, 2011**  
**Northeast Florida Area Agency on Aging, Inc.**  
**d/b/a ElderSource**

	MEDICARE BENEFICIARY OUTREACH ADMINISTRATION	ALZHEIMER'S DISEASE INITIATIVE	RELIEF	MEDICAL ASSISTANCE PROGRAM	MEDICAID CLAIMING	TAI CHI	SHINE
<b>EXPENSES</b>							
Salaries	\$ 8,639	\$ -	\$ 20,130	\$ 85,608	\$ 166,948	\$ 12,321	\$ 57,642
Employee Benefits and Payroll Taxes	1,061	-	8,996	27,151	64,131	2,095	8,891
Payments to Providers	-	535,305	283,538	-	-	-	-
Program Expenses	6,800	-	-	-	-	11,700	-
Building	10,000	-	-	5,168	21,953	-	6,132
Communication and Postage	1,405	-	353	5,240	6,179	131	12,160
Equipment	-	-	-	1,314	6,005	-	5,713
Maintenance	-	-	-	-	-	-	-
Printing and Supplies	-	-	-	728	3,003	400	8,197
Professional Fees	-	-	-	3,019	5,409	-	8,568
Staff Development	-	-	-	202	-	-	14,788
Travel	-	-	-	4,153	1,800	1,929	22,225
Other	-	-	-	165	-	10	750
Depreciation	-	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>27,905</b>	<b>535,305</b>	<b>313,017</b>	<b>132,748</b>	<b>275,428</b>	<b>28,586</b>	<b>145,066</b>
Allocation of Management & General	1,728	33,148	19,383	8,220	17,056	1,770	8,984
<b>TOTAL EXPENSES AFTER ALLOCATION</b>	<b>\$ 29,633</b>	<b>\$ 568,453</b>	<b>\$ 332,400</b>	<b>\$ 140,968</b>	<b>\$ 292,484</b>	<b>\$ 30,356</b>	<b>\$ 154,050</b>

**Schedule of Expenses**  
**For the Year Ended December 31, 2011**  
**Northeast Florida Area Agency on Aging, Inc.**  
**d/b/a ElderSource**

	SENIOR TO SENIOR	COMMUNITY OUTREACH/ MEDICAL MANAGEMENT	CHRONIC DISEASE SELF MANAGEMENT	ELDER ABUSE	EMERGENCY HOME ENERGY ASSISTANCE	SNAP	NSIP
<b>EXPENSES</b>							
Salaries	\$ 6,000	\$ 12,000	\$ 25,268	\$ 16,799	\$ 46,562	\$ 12,883	\$ -
Employee Benefits and Payroll Taxes	-	-	6,902	4,973	20,969	4,877	-
Payments to Providers	-	109,500	-	-	581,517	-	542,197
Program Expenses	150,147	-	30,600	-	58,394	-	-
Building	-	-	-	-	-	3,179	-
Communication and Postage	-	-	141	46	125	1,338	-
Equipment	-	-	-	-	3,185	1,412	-
Maintenance	-	-	-	-	-	-	-
Printing and Supplies	-	-	6,285	-	-	1,683	-
Professional Fees	-	-	555	-	1,000	-	-
Staff Development	-	-	-	-	-	-	-
Travel	-	-	2,473	1,270	132	63	-
Other	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>156,147</b>	<b>121,500</b>	<b>72,224</b>	<b>23,088</b>	<b>711,884</b>	<b>25,435</b>	<b>542,197</b>
Allocation of Management & General	9,669	7,524	4,472	1,429	44,082	1,575	33,576
<b>TOTAL EXPENSES AFTER ALLOCATION</b>	<b>\$ 165,816</b>	<b>\$ 129,024</b>	<b>\$ 76,696</b>	<b>\$ 24,517</b>	<b>\$ 755,966</b>	<b>\$ 27,010</b>	<b>\$ 575,773</b>

**Schedule of Expenses**  
**For the Year Ended December 31, 2011**  
**Northeast Florida Area Agency on Aging, Inc.**  
**d/b/a ElderSource**

	OLDER AMERICANS ACT (NON-ARRA)	EMERGENCY FOOD & SHELTER	OTHER PROGRAMS	TOTAL PROGRAM SERVICES	MANAGEMENT & GENERAL	TOTAL
<b>EXPENSES</b>						
Salaries	\$ 262,976	\$ -	\$ -	\$ 830,650	\$ 443,169	\$ 1,273,819
Employee Benefits and Payroll Taxes	95,928	-	-	268,232	135,629	403,861
Payments to Providers	5,884,993	-	-	11,959,543	-	11,959,543
Program Expenses	1,205	5,220	109,143	492,607	-	492,607
Building	46,820	-	-	112,020	10,837	122,857
Communication and Postage	13,626	-	528	42,042	12,632	54,674
Equipment	10,252	-	-	27,881	13,847	41,728
Maintenance	4,828	-	-	4,828	9,024	13,852
Printing and Supplies	11,181	-	7	31,559	23,517	55,076
Professional Fees	23,420	-	-	41,971	66,913	108,884
Staff Development	1,236	-	-	16,226	5,604	21,830
Travel	7,326	-	2,321	43,759	32,642	76,401
Other	253	-	389	1,589	41,101	42,690
Depreciation	-	-	-	-	63,982	63,982
<b>TOTAL EXPENSES</b>	<b>6,364,044</b>	<b>5,220</b>	<b>112,388</b>	<b>13,872,907</b>	<b>858,897</b>	<b>14,731,804</b>
Allocation of Management & General	394,087	323	6,793	858,897	(858,897)	-
<b>TOTAL EXPENSES AFTER ALLOCATION</b>	<b>\$ 6,758,131</b>	<b>\$ 5,543</b>	<b>\$ 119,181</b>	<b>\$ 14,731,804</b>	<b>\$ -</b>	<b>\$ 14,731,804</b>

**Schedule of Expenditures of Federal Awards  
and State Financial Assistance  
For the Year Ended December 31, 2011  
Northeast Florida Area Agency on Aging, Inc.  
d/b/a ElderSource**

<b>FEDERAL AWARDS</b>	CFDA/CSFA NUMBER	CONTRACT NUMBER	EXPENDITURES	PAYMENTS TO SUBRECIPIENT
<u>DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</u>				
Special Programs For the Aging:				
Title III-B - Support Services for Senior Citizens	93.044	DA111	\$ 2,830,045	\$ 2,422,546
Title III-C1 - Congregate Meals	93.045	DA111	1,513,912	1,513,912
Title III-C2 - Home Delivered Meals	93.045	DA111	1,280,648	1,280,648
ARRA - Title III-C2 - Home Delivered Meals	93.705	DA010	3,150	3,150
ARRA - Title III-C1 - Congregate Meals	93.707	DA010/111	39,513	39,513
Older Americans Act (OAA) (Administration)	93.044/045	DA111	679,740	5,000
Nutrition Services Incentive Program	93.053	DU011/012	542,197	542,197
Aging Cluster Total			6,889,205	5,806,966
Title VII Prevention of Elder Abuse	93.041	D7011	23,088	-
Title III-D1 - Community Outreach and Wellness Coordinator Program	93.043	DD011	89,213	77,213
Title III-D2 - Medication Management Program	93.043	DD011	32,287	32,287
Program Total			121,500	109,500
Titles II and IV Tai Chi	93.048	DB010	45,812	
Title III-E - Caregiver Support	93.052	DA111	739,466	662,887
Medicare Beneficiary Outreach and Assistance	93.071	DM009	27,905	-
Emergency Home Energy Assistance	93.568	DP010/011	711,884	581,517
ARRA - Chronic Disease Self Management	93.725	XQ131	72,224	-
Medical Assistance Program/Administration	93.778	DW011/012	66,374	-
Medical Assistance Program/Medicaid Waiver	93.778	DX010/011	137,714	-
Program Total			204,088	-
Medicare/Medicaid Services - RDE/Serving Health Insurance Needs of Elders	93.779	DN010/011	131,692	-
Medicare/Medicaid Services - RDE/Serving Health Insurance Needs of Elders	93.779	DM009	13,374	-
Program Total			145,066	-
<b>TOTAL DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>			8,980,238	7,160,870
<u>DEPARTMENT OF AGRICULTURE</u>				
Supplemental Nutritional Assistance Program	10.580	XQ007/107	25,435	-
<u>DEPARTMENT OF HOMELAND SECURITY</u>				
Emergency Food and Shelter	97.024	LRO 160800-024	5,220	-
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ 9,010,893	\$ 7,160,870
<b>STATE FINANCIAL ASSISTANCE</b>				
<u>DEPARTMENT OF ELDER AFFAIRS</u>				
Community Care for the Elderly (CCE)	65.010	DC011	\$ 3,768,199	\$ 3,765,369
Community Care for the Elderly (CCE)	65.010	DC010	64,600	-
Community Care for the Elderly (CCE) Admin	65.010	DX010	73,721	-
Project Total			3,906,520	3,765,369
Home Care for the Elderly (HCE)	65.001	DH011	214,461	214,461
Home Care for the Elderly (HCE) Admin	65.001	DH010	69,546	-
Project Total			284,007	214,461
Alzheimer's Disease Initiative (ADI)	65.004	DZ010/111	535,305	535,305
Respite for Elders Living in Everyday Families	65.006	DR010/011	283,538	283,538
Respite for Elders Living in Everyday Families (Admin)	65.006	DR010/011	29,479	-
Project Total			313,017	283,538
Medicaid Waiver	N/A	DW011/012	66,374	-
Medicare Acceptance	N/A	DX011	63,992	-
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>			\$ 5,169,215	\$ 4,798,673

See accompanying notes to schedule.

**Notes to Schedule of Expenditures of Federal Awards  
and State Financial Assistance  
For the Year Ended December 31, 2011  
Northeast Florida Area Agency on Aging, Inc.  
d/b/a ElderSource**

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal and state grant activity of the Agency and is presented in 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* and Chapter 10.650, Rules of the Florida Auditor General.

NOTE 2 – PASS-THROUGH ENTITY

All federal awards are passed through the Florida Department of Elder Affairs.

**ADDITIONAL REQUIRED ELEMENTS**

## Report on Internal Control over Financial Reporting and on Compliance and Other Matters

Board of Directors  
Northeast Florida Area Agency on Aging, Inc.  
d/b/a ElderSource  
Jacksonville, Florida

We have audited the financial statements of Northeast Florida Area Agency on Aging, Inc., d/b/a ElderSource (the "Agency") as of and for the year ended December 31, 2011, and have issued our report thereon dated September 19, 2012. 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

Management is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Agency'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 Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of 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.

To the Board of Directors  
Northeast Florida Area Agency on Aging, Inc.  
d/b/a ElderSource  
Jacksonville, Florida

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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 Board of Directors, management, and the U.S. Department of Health and Human Services and the State of Florida's Department of Elder Affairs and Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

*Cara, Riggo & Ingram, LLC*

September 19, 2012  
Gainesville, Florida

**Report on Compliance With Requirements That Could Have a Direct  
and Material Effect on Each Major Program and Project and on  
Internal Control Over Compliance**

Board of Directors  
Northeast Florida Area Agency on Aging, Inc.  
d/b/a ElderSource  
Jacksonville, Florida

Compliance

We have audited the compliance of the Northeast Florida Area Agency on Aging, Inc., d/b/a ElderSource (the "Agency") with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement*, and the requirements described in the State Projects Compliance Supplement, that could have a direct and material effect on its major federal program and major state project for the year ended December 31, 2011. The Agency's major federal program and state project are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program and state project is the responsibility of the Agency's management. Our responsibility is to express an opinion on the Agency'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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the Agency'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 Agency's compliance with those requirements.

In our opinion, the Agency complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program and major state project for the year ended December 31, 2011.

To the Board of Directors  
Northeast Florida Area Agency on Aging, Inc.  
d/b/a ElderSource  
Jacksonville, Florida  
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### Internal Control Over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the Agency's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project in order to determine our 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 and Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis.

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 Board of Directors, management, the U.S. Department of Health and Human Services, and the State of Florida's Department of Elder Affairs and Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

*Cara Riggs & Program, LLC*

September 19, 2012  
Gainesville, Florida

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2011  
Northeast Florida Area Agency on Aging, Inc.  
d/b/a ElderSource**

**PART I – SUMMARY OF AUDITORS' RESULTS**

- (i) The independent auditors' report on the financial statements expressed an unqualified opinion.
- (ii) No significant deficiencies in internal control over financial reporting were reported.
- (iii) No instances of noncompliance considered material to the financial statements were disclosed by the audit.
- (iv) No significant deficiencies in internal control over the major federal award program or major state project were reported in the audit.
- (v) The report on compliance with requirements applicable to the major federal award program and major state project expressed an unqualified opinion.
- (vi) The audit disclosed no findings relative to the major federal program or major state project.
- (vii) The Agency's major program/project were:

<u>Federal Program</u> Special Programs for the Aging Cluster	<u>CFDA Number</u> 93.044/045/053/705/707
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<u>State Project</u> Community Care for the Elderly	<u>CSFA Number</u> 65.010
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- (viii) A threshold of \$300,000 was used to distinguish between Type A and Type B programs for federal programs and \$300,000 was used for state projects.
- (ix) The Agency did qualify as a low-risk auditee as that term is defined in OMB Circular A-133.

**PART II – FINANCIAL STATEMENT FINDINGS**

No matters are reportable.

**PART III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters are reportable.

**PART IV – STATE AWARD FINDINGS AND QUESTIONED COSTS**

No matters are reportable. Additionally, no other matters are reportable pursuant to Chapter 10.650, Rules of the Auditor General.

**Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2011  
Northeast Florida Area Agency on Aging, Inc.  
d/b/a ElderSource**

There were no prior audit findings for the year ended December 31, 2010. Additionally, there are no current year findings that require corrective action.