

**WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC.  
AND AFFILIATE**

**Financial and Compliance Report  
For the Year Ended December 31, 2011**



**WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC.  
AND AFFILIATE**

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## **Report of Independent Certified Public Accountants**

Board of Directors  
West Central Florida Area Agency on Aging, Inc.  
Tampa, Florida

We have audited the accompanying consolidated statement of financial position of the West Central Florida Area Agency on Aging, Inc. and Affiliate (the "Agency") as of December 31, 2011 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized comparative information has been derived from the Agency's 2010 financial statements and, in our report dated August 2, 2011 we expressed an unqualified opinion on those financial 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 Agency as of December 31, 2011, 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 our report dated August 7, 2012, on our consideration of the Agency'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 considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance 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 Chapter 10.650, Rules of the Auditor General of the State of Florida, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements taken as a whole.

*Cherry, Behant & Holland, L.L.P.*

Tampa, Florida  
August 7, 2012

**WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC.  
AND AFFILIATE**

**Consolidated Statements of Financial Position  
December 31, 2011  
With Summarized Financial Information for 2010**

	<b>2011</b>	<b>2010</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 212,328	\$ 983,834
Due from grantors	3,156,910	2,199,523
Advances to subrecipients	-	73,080
Accounts receivable - other	4,139	17,412
Prepaid expenses and other assets	102,920	93,820
<b>Total current assets</b>	<b>3,476,297</b>	<b>3,367,669</b>
<b>Capital assets, net</b>	<b>63,304</b>	<b>117,248</b>
<b>Total assets</b>	<b>\$ 3,539,601</b>	<b>\$ 3,484,917</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 419,517	\$ 222,135
Refundable advances	88,948	280,306
Due to subrecipients	2,557,968	2,542,600
<b>Total liabilities</b>	<b>3,066,433</b>	<b>3,045,041</b>
<b>Net assets</b>		
Unrestricted net assets	473,168	439,876
<b>Total net assets</b>	<b>473,168</b>	<b>439,876</b>
<b>Total liabilities and net assets</b>	<b>\$ 3,539,601</b>	<b>\$ 3,484,917</b>

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**WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC.  
AND AFFILIATE**

**Consolidated Statements of Activities  
Year Ended December 31, 2011  
With Summarized Financial Information for 2010**

	<b>2011</b>	<b>2010</b>
<b>Support and revenues</b>		
Public support - grants	\$ 17,917,522	\$ 18,542,512
Donated services	15,099	-
Other income	40,837	38,262
<b>Total support and revenues</b>	<b>17,973,458</b>	<b>18,580,774</b>
<b>Expenses</b>		
Program services:		
Older Americans Act	8,377,099	8,854,160
Nutrition Services Incentive Program	912,028	900,509
Aging Resource Center	266,137	318,237
Community Care for the Elderly	4,111,086	4,816,732
Home Care for the Elderly	570,360	560,606
Alzheimer's Disease Initiative	725,321	760,956
EHEAP	742,635	504,095
SHINE	124,223	181,872
Medicaid Waiver Specialist	142,502	141,495
Local Service Provider	109,356	135,914
Other DOEA Programs	188,730	149,883
Other Non-DOEA Programs	433,695	115,524
Total program services	16,703,172	17,439,983
Supporting services	1,236,994	1,207,605
<b>Total expenses</b>	<b>17,940,166</b>	<b>18,647,588</b>
<b>Increase (decrease) in net assets</b>	33,292	(66,814)
<b>Net assets at beginning of year</b>	439,876	506,690
<b>Net assets at end of year</b>	<b>\$ 473,168</b>	<b>\$ 439,876</b>

**WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC.  
AND AFFILIATE**

**Consolidated Statements of Functional Expenses  
Year Ended December 31, 2011  
With Summarized Financial Information for 2010**

	Program Services							
	Older Americans Act	Nutrition Services Incentive Program	Aging Resource Center	Community Care for the Elderly	Home Care for the Elderly	Alzheimer's Disease Initiative	EHEAP	
<b>Expenses</b>								
Salaries	\$ 408,338	\$ -	\$ 184,484	\$ 89,841	\$ -	\$ -	\$ -	\$ 63,892
Payroll taxes and benefits	104,990	-	55,243	26,516	-	-	-	13,979
Payroll leasing	8,908	-	4,273	1,797	-	-	-	1,263
Travel expense	6,849	-	2,074	197	-	-	-	14,828
Equipment rental	835	-	-	250	-	-	-	120
Occupancy costs	55,580	-	13,168	16,087	-	-	-	5,290
Printing and supplies	18,263	-	1,954	1,226	-	-	-	9,186
Communications and postage	14,430	-	4,341	2,209	-	-	-	9,879
Equipment	9,995	-	-	285	-	-	-	158
Sub-contractors:								
Transfers to subrecipients	7,660,061	912,028	-	3,969,481	570,360	725,321	742,635	-
Other sub-contractors	38,165	-	-	-	-	-	-	-
Program supplies	2,604	-	-	-	-	-	-	-
Insurance	2,708	-	-	666	-	-	-	-
Advertising	4,561	-	520	13	-	-	-	554
Professional fees	5,562	-	-	2,056	-	-	-	1,200
Other expenses	35,250	-	80	462	-	-	-	3,874
Depreciation	-	-	-	-	-	-	-	-
<b>Total expenses before allocation</b>	<b>8,377,099</b>	<b>912,028</b>	<b>266,137</b>	<b>4,111,086</b>	<b>570,360</b>	<b>725,321</b>	<b>742,635</b>	<b>124,223</b>
Allocation of management and general	547,463	59,603	17,393	268,669	37,274	47,401	48,533	8,118
<b>Total expenses</b>	<b>\$ 8,924,562</b>	<b>\$ 971,631</b>	<b>\$ 283,530</b>	<b>\$ 4,379,755</b>	<b>\$ 607,634</b>	<b>\$ 772,722</b>	<b>\$ 791,168</b>	<b>\$ 132,341</b>

See accompanying notes to consolidated financial statements.

**WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC.  
AND AFFILIATE**

**Consolidated Statements of Functional Expenses (continued)  
Year Ended December 31, 2011  
With Summarized Financial Information for 2010**

	Program Services				Supporting Services					2010
	Medicaid Waiver Specialist	Local Service Provider	Other DOEA Programs	Other Non-DOEA Programs	Total Program Services	Board Operations	Management and General	Total Supporting Services	Total Program and Support Services	
<b>Expenses</b>										
Salaries	\$ 86,002	\$ -	\$ 99,985	\$ 8,345	\$ 940,887	\$ 17,575	\$ 652,900	\$ 670,475	\$ 1,611,362	\$ 1,491,543
Payroll taxes and benefits	23,147	-	14,162	1,986	240,023	2,262	165,258	167,520	407,543	350,769
Payroll leasing	1,749	-	2,444	132	20,566	144	9,139	9,283	29,849	27,244
Travel expense	1,785	-	11,903	128	37,764	1,680	14,472	16,152	53,916	53,448
Equipment rental	304	-	-	-	1,509	333	-	333	1,842	6,901
Occupancy costs	17,456	-	4,894	993	113,468	667	124,527	125,194	238,662	230,846
Printing and supplies	5,649	-	7,430	972	44,680	858	9,736	10,594	55,274	39,674
Communications and postage	2,955	-	2,894	397	37,105	204	22,745	22,949	60,054	54,719
Equipment	346	-	1,099	432	12,315	2,363	8,924	11,287	23,602	22,598
Sub-contractors:										
Transfers to subrecipients	-	109,356	-	362,468	15,051,710	-	-	-	15,051,710	15,828,974
Other sub-contractors	-	-	-	-	38,165	-	-	-	38,165	105,419
Program supplies	-	-	17,197	-	19,801	-	-	-	19,801	12,345
Insurance	899	-	261	62	4,596	2,550	10,233	12,783	17,379	24,180
Advertising	1,246	-	-	-	6,894	-	4,531	4,531	11,425	36,094
Professional fees	686	-	432	16,019	25,955	12,149	50,212	62,361	88,316	133,377
Other expenses	278	-	26,029	41,761	107,734	48,460	18,914	67,374	175,108	168,073
Depreciation	-	-	-	-	-	56,158	-	56,158	56,158	61,384
<b>Total expenses before allocation</b>	142,502	109,356	188,730	433,695	16,703,172	145,403	1,091,591	1,236,994	17,940,166	18,647,588
Allocation of management and general	9,313	7,147	12,334	28,343	1,091,591	-	(1,091,591)	(1,091,591)	-	-
<b>Total expenses</b>	<u>\$ 151,815</u>	<u>\$ 116,503</u>	<u>\$ 201,064</u>	<u>\$ 462,038</u>	<u>\$ 17,794,763</u>	<u>\$ 145,403</u>	<u>\$ -</u>	<u>\$ 145,403</u>	<u>\$ 17,940,166</u>	<u>\$ 18,647,588</u>

See accompanying notes to consolidated financial statements.

**WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC.  
AND AFFILIATE**

**Consolidated Statements of Cash Flows  
Year Ended December 31, 2011  
With Summarized Financial Information for 2010**

	<u>2011</u>	<u>2010</u>
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets	\$ 33,292	\$ (66,814)
Adjustments to reconcile increase (decrease) in net assets to net cash flows provided by (used in) operating activities:		
Depreciation	56,158	61,384
Loss on sale of furniture and equipment	-	100
(Increase) decrease in:		
Due from grantors	(957,387)	(709,209)
Advances to subrecipients	73,080	(63,393)
Accounts receivable - other	13,273	(10,602)
Prepaid expenses and other assets	(9,100)	832
Increase (decrease) in:		
Accounts payable and accrued expenses	197,382	40,817
Refundable advances	(191,358)	127,419
Due to subrecipients	15,368	1,066,394
Net cash flows provided by (used in) operating activities	<u>(769,292)</u>	<u>446,928</u>
<b>Cash flows from investing activities</b>		
Purchase of furniture and equipment	<u>(2,214)</u>	<u>(8,878)</u>
Net cash flows used in investing activities	<u>(2,214)</u>	<u>(8,878)</u>
<b>Net increase (decrease) in cash</b>	(771,506)	438,050
<b>Cash at beginning of year</b>	<u>983,834</u>	<u>545,784</u>
<b>Cash at end of year</b>	<u>\$ 212,328</u>	<u>\$ 983,834</u>

**WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC.  
AND AFFILIATE**

**Notes to Consolidated Financial Statements  
Year Ended December 31, 2011**

**Note 1 – Nature of Activities and Summary of Significant Accounting Policies**

*Principles of Consolidation* - The consolidated financial statements include the accounts of West Central Florida Area Agency on Aging, Inc. and Care Connections, Inc. (collectively, the “Agency”). These entities are related through an economic interest and the direct ability to determine the direction of management. All significant intercompany balances and transactions have been eliminated in the consolidation.

*Nature of Activities* - West Central Florida Area Agency on Aging, Inc. (WCFAAA) is a not-for-profit organization incorporated under the laws of the State of Florida on February 2, 1981. WCFAAA administers a network of services for the 60+ population in Hillsborough, Manatee, Polk, Highland and Hardee counties. WCFAAA exists to promote the independence, dignity, health, and well-being of the elder citizens; to plan, fund and administer a coordinated system of services for seniors; to facilitate and enhance service delivery; and to advocate for the needs and concerns of older Americans. Care Connections, Inc., a not-for-profit organization, was established in 2006 to provide educational seminars, to provide community events, and to raise public awareness to benefit older adults and assist them with unmet health and social service needs. All programs of the Agency relate to assisting the elderly. Financial resources for accomplishment of the activities of the Agency are principally in the form of federal and state government grants. The Agency awards contracts to service providers who directly provide the service to the aging population.

*Basis of Presentation* - The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Because there are no donor imposed restrictions the net assets of the Agency and the changes therein are classified and reported as unrestricted net assets.

*Due from Grantors* - Amounts due from grantors represent amounts receivable from grantor agencies for allowable expenses incurred on or before December 31, 2011. Management believes all expenses are allowable under the grant requirements and are fully collectible. As such, no allowance for doubtful accounts is considered necessary.

*Capital Assets* – Capital assets are stated at cost, if purchased, or at estimated fair market value at the date of receipt if acquired by gift. The Agency capitalizes expenditures for property and equipment in excess of \$1,000, in accordance with policies established by the Florida Department of Elder Affairs. Depreciation is provided on a straight-line method over the estimated useful lives of the respective assets, generally 5 years. Leasehold improvements are depreciated over the lesser of the estimated useful life of the asset or the lease term. Maintenance and repair costs are expensed as incurred. The Agency has restrictions on disposals of fixed assets pursuant to grantor contracts. The Agency can gift fixed assets to its provider or dispose of assets with the permission of the grantor. During 2011, the Agency disposed of assets acquired under grantor contracts in the amount of \$4,373.

**WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC.  
AND AFFILIATE**

**Notes to Consolidated Financial Statements  
Year Ended December 31, 2011**

**Note 1 – Nature of Activities and Summary of Significant Accounting Policies (continued)**

*Due to Subrecipients* - Amounts due to subrecipients represent amounts requested for reimbursement from the Agency for allowable expenses incurred by the subrecipients on or before December 31, 2011.

*Revenue Recognition* - Grant funds are deemed to be earned and reported as revenues when expenditures are incurred in compliance with specific grant requirements (reimbursable expenditures).

*In-kind Contributions* - Contributions of non-cash assets are recorded at estimated fair value in the period received. In accordance with Accounting Standards Codification (“ASC”) topic on *Not-for-Profit Entities*, the Agency records contributed services if the services received create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Many volunteers have contributed significant amounts of time to activities of the Agency without compensation. The financial statements do not reflect the value of those contributed services because they do not meet the above recognition criteria.

*Federal Income Tax* - The Agency is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Accordingly no provision for income taxes has been made.

The Agency has evaluated the effect of the guidance provided by ASC Topic on *Accounting for Uncertainty in Income Taxes*. Management believes that the Agency continues to satisfy the requirements of a tax-exempt organization and therefore had no uncertain income tax positions at December 31, 2011.

*Statement of Functional Expenses* - The costs of providing the various programs and other activities have been detailed in the statement of functional expenses. Salaries and other expenses that are associated with a specific program are charged directly to that program. Salaries and other expenses that benefit more than one program are allocated to the various programs based on the relative benefit provided.

For grant purposes, general and administrative expenses were allocated to program services based on the total of the individual program service to total program services.

*Use of Estimates* - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC.  
AND AFFILIATE**

**Notes to Consolidated Financial Statements  
Year Ended December 31, 2011**

**Note 1 – Nature of Activities and Summary of Significant Accounting Policies (continued)**

*Summarized Financial Information for 2010* - The financial statements include certain prior-year summarized comparative information in total but not by functional expense category. 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 Agency's financial statements for the year ended December 31, 2010, from which the summarized information was derived.

*Refundable Advances* - Refundable advances represent advances from grantors that require the Agency to achieve certain objectives. Should the Agency not achieve these objectives, the funds would be returned to the grantor.

*Advertising Costs* - The Agency uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense for the year ended December 31, 2011 was \$12,616.

*Subsequent Events* - The Agency has considered subsequent events through August 7, 2012, which represents the date the financial statements were issued.

**Note 2 – Concentrations**

The Agency places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation (FDIC) covers \$250,000 for substantially all depository accounts and temporarily provides unlimited coverage through December 31, 2012 for certain qualifying and participating non-interest bearing transaction accounts.

The Agency's bank deposits were fully insured by the FDIC at December 31, 2011, based on specified coverage.

The Agency's activities are conducted primarily in Hillsborough County, Florida and are supported by funding provided by government agencies. The Agency is dependent upon grants from federal and state agencies for its principal source of revenue. A significant decline in funding to the Agency could adversely affect the operating results of the Agency.

**Note 3 – Capital Assets**

A summary of capital assets at December 31, 2011 is as follows:

Furniture and equipment	\$ 366,815
Leasehold improvements	77,440
Less accumulated depreciation	<u>(380,951)</u>
	<u><u>\$ 63,304</u></u>

**WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC.  
AND AFFILIATE**

**Notes to Consolidated Financial Statements  
Year Ended December 31, 2011**

**Note 4 – Lease Commitments**

The Agency has entered into non-cancelable operating lease agreements for office equipment and office space which expire through June 2016. Minimal annual rentals range from \$5,388 to \$141,656. Total rent expense for the year ended December 31, 2011 was \$195,545.

The total minimum future lease commitments at December 31, 2011 are due as follows:

<u>During the Year Ended December 31,</u>	
2012	\$ 176,675
2013	175,481
2014	162,023
2015	11,988
2016	9,990
	<u>\$ 536,157</u>

**Note 5 – Line of Credit**

The Agency has unused lines of credit, one with Bank of Tampa for \$150,000 and one with SunTrust Bank for \$50,000. Subsequent to year end the SunTrust line of credit was not renewed.

**Note 6 – Employee Benefit Plan**

The Agency has established a 401(k) Profit Sharing Plan for eligible employees. An employee is eligible to participate in the Plan after twelve months of continuous service and becomes fully vested after six years of continuous service. Annual contributions by the Agency are voluntary and are made at the discretion of the board of directors. For 2010, the board of directors approved a contribution of 3% of eligible salaries plus an employer match of up to 4% of employee contribution. The Agency's contribution for the year ended December 31, 2011 was \$79,750.

**Note 7 – Contingencies**

Expenditures incurred by the Agency and subrecipients are subject to audit and possible disallowances by the federal and state agencies. The Agency would be responsible for recovery (reimbursement to the grantor agency) of disallowed amounts incurred by subrecipients if they were not able to repay the amounts disallowed. It is the opinion of management that no grant expenditures would be disallowed.



## **Supplemental Information**

**WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC.  
AND AFFILIATE**

**Schedule of Expenditures of Federal Awards and State Financial Assistance  
Year Ended December 31, 2011**

FEDERAL AWARDS:	Federal CFDA Number	Contract Number	Federal Expenditures	Transfers to Subrecipients
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<i>Passed through the State of Florida - Department of Elder Affairs</i>				
<b>Supplemental Nutrition Assistance Program</b>	10.580			
Supplemental Nutrition Assistance Program, 04/15/2010 - 06/30/2011		XQ009	\$ 13,237	\$ -
Supplemental Nutrition Assistance Program, 07/01/2011 - 08/31/2012		XQ109	13,615	-
<b>Total Department of Agriculture</b>			<u>26,852</u>	<u>-</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<i>Passed through the State of Florida - Department of Elder Affairs</i>				
<b>Administration on Aging</b>				
Special Programs for the Aging - Title IIID, 01/01/2011 - 12/31/2011	93.043	FD011	117,745	-
National Family Caregiver Support - Title IIIE, 01/01/2011 - 12/31/2011	93.052	FA111	927,273	714,201
Special Programs for the Aging - Title VII, 01/01/2011 - 12/31/2011	93.041	F7011	23,090	-
Special Programs for the Aging - Title IV and Title II, 06/01/10-05/31/11	93.048	N/A	1,560	-
Special Programs for the Aging - Title IV and Title II, 11/15/10-10/31/11	93.048	FB010	66,058	-
			<u>1,135,726</u>	<u>714,201</u>
<b>Aging Cluster</b>				
Special Programs for the Aging - Title III Admin, 01/01/2011 - 12/31/2011	93.044-045	FA111	867,277	-
Special Programs for the Aging - Title IIIB, 01/01/2011 - 12/31/2011	93.044	FA111	2,845,089	2,486,166
Special Programs for the Aging - Title III C, 01/01/2011 - 12/31/2011	93.045	FA111	4,459,694	4,459,694
Nutrition Services Incentive Program, 10/01/2010 - 09/30/2011	93.053	FU011	709,209	709,209
Nutrition Services Incentive Program, 10/01/2011 - 09/30/2012	93.053	FU012	202,818	202,818
<b>Total Aging Cluster</b>			<u>9,084,087</u>	<u>7,857,887</u>
<b>Total Administration on Aging</b>			<u>10,219,813</u>	<u>8,572,088</u>
<b>Low-Income Home Energy Assistance Program</b>				
Low-Income Home Energy Assistance, 03/01/2010 - 08/31/2011	93.568	FP010	462,276	438,341
Low-Income Home Energy Assistance, 05/01/2011 - 07/31/2012		FP011	321,214	304,295
<b>Total Low-Income Home Energy Assistance Program</b>			<u>783,490</u>	<u>742,636</u>
<b>Centers for Medicare and Medicaid Services</b>				
<b>Medical Assistance Program</b>				
Medical Assistance Program 07/01/2010-06/30/2011	93.778	FW011	34,404	-
Medical Assistance Program 07/01/2011-06/31/2012		FW012	36,847	-
Medical Assistance Program 07/01/2010-06/30/2011		FX010	62,327	-
Medical Assistance Program 07/01/2011-06/30/2012		FX011	70,741	-
<b>Total Medical Assistance Program</b>			<u>204,319</u>	<u>-</u>
<b>Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations Program</b>				
Centers for Medicare and Medicaid Services Research 04/01/2010-03/31/2011	93.779	FN010	35,508	-
Centers for Medicare and Medicaid Services Research 04/01/2011-03/31/2012		FN011	88,712	-
Centers for Medicare and Medicaid Services Research 10/01/2009-05/31/2011		FM009	12,255	-
<b>Total Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations Program</b>			<u>136,475</u>	<u>-</u>
<b>Total Centers for Medicare and Medicaid Services</b>			<u>340,794</u>	<u>-</u>
ARRA - Communities Putting Prevention to Work: Chronic Disease Self-Management Program 06/01/2010-03/30/2012	93.725	XQ132	83,579	-
<b>Total U.S. Department of Health and Human Services</b>			<u>11,427,676</u>	<u>9,314,724</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 11,454,528</u>	<u>\$ 9,314,724</u>

(continued)

**WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC.  
AND AFFILIATE**

**Schedule of Expenditures of Federal Awards and State Financial Assistance (continued)  
Year Ended December 31, 2011**

STATE FINANCIAL ASSISTANCE:	State CSFA Number	Contract Number	State Expenditures	Transfers to Subrecipients
<i>State of Florida - Department of Elder Affairs</i>				
<b>Alzheimer's Respite Services Program</b>				
Alzheimer's Respite Services 07/01/2010-06/30/2011	65.004	FZ010	\$ 327,445	\$ 327,445
Alzheimer's Respite Services 07/01/2011-06/30/2012		FZ111	269,264	269,264
<b>Total Alzheimer's Respite Services Program</b>			<u>596,709</u>	<u>596,709</u>
<b>Alzheimer Model Day Care Program</b>				
Alzheimer Model Day Care, 07/01/2010 - 06/30/2011	65.002	FZ010	78,023	78,023
Alzheimer Model Day Care, 07/01/2011 - 06/30/2012		FZ111	50,590	50,590
<b>Total Alzheimer Model Day Care Program</b>			<u>128,613</u>	<u>128,613</u>
<b>Community Care for the Elderly Program</b>				
Community Care for the Elderly, 07/01/2010 - 06/30/2011	65.010	FC010	2,280,917	2,168,919
Community Care for the Elderly, 07/01/2011 - 06/30/2012		FCO11	1,897,882	1,800,562
<b>Total Community Care for the Elderly Program</b>			<u>4,178,799</u>	<u>3,969,481</u>
<b>Home Care for the Elderly Program</b>				
Home Care for the Elderly, 07/01/2010 - 06/30/2011	65.001	FH010	459,517	420,923
Home Care for the Elderly, 07/01/2011 - 06/30/2012		FHO11	186,344	149,012
<b>Total Home Care for the Elderly Program</b>			<u>645,861</u>	<u>569,935</u>
<b>Local Services Program</b>				
Local Services Program, 07/01/2010 - 06/30/2011	65.009	FL010	57,238	54,676
Local Services Program, 07/01/2011 - 06/30/2012		FLO11	56,643	54,680
<b>Total Local Services Program</b>			<u>113,881</u>	<u>109,356</u>
<b>Total Expenditures of State Financial Assistance</b>			<u>\$ 5,663,863</u>	<u>\$ 5,374,094</u>

**WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC.  
AND AFFILIATE**

**Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance  
Year Ended December 31, 2011**

**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 on the accrual basis of accounting. The information in this schedule is presented in accordance with accounting principles generally accepted in the United States of America as applicable to non-profit organizations, and the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.650, *Rules of the Auditor General of the State of Florida*.

**Note 2 – Contingency**

Expenditures incurred by the Agency and subrecipients are subject to audit and possible disallowances by the federal and state agencies. The Agency would be responsible for recovery (reimbursement to the grantor agency) of disallowed amounts incurred by subrecipients if they were not able to repay the amounts disallowed. It is the opinion of management that no grant expenditures would be disallowed.

## **Grant Compliance**

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**Report of Independent Certified Public Accountants on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Board of Directors  
West Central Florida Area Agency on Aging, Inc.  
Tampa, Florida

We have audited the consolidated financial statements of West Central Florida Area Agency on Aging, Inc. and affiliate (the "Agency") as of and for the year ended December 31, 2011, and have issued our report thereon dated August 7, 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 of the Agency 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 consolidated 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 a 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.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency's consolidated 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 federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Cherry, Behant & Holland, L.L.P.*

Tampa, Florida  
August 7, 2012





**Report of Independent Certified Public Accountants on Compliance with  
Requirements That Could Have a Direct and Material Effect on Each Major  
Federal Program and State Project and on Internal Control Over Compliance in  
Accordance with OMB Circular A-133 and Chapter 10.650, Rules of the  
Auditor General of the State of Florida**

Board of Directors  
West Central Florida Area Agency on Aging, Inc.  
Tampa, Florida

**Compliance**

We have audited West Central Florida Area Agency on Aging, Inc.'s (the "Agency") compliance 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 Executive Office of the Governor of Florida's State Projects Compliance Supplement, that could have a direct and material effect on each of the Agency's major federal programs and state financial assistance projects for the year ended December 31, 2011. The Agency's major federal programs and state financial assistance projects 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 each of its major federal programs and state financial assistance projects 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 of the State of Florida. Those standards, OMB Circular A-133, and Chapter 10.650, Rules of the Auditor General of the State of Florida, 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 financial assistance 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 each of its major federal programs and state financial assistance projects for the year ended December 31, 2011.

## **Internal Control Over Compliance**

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and state financial assistance projects. In planning and performing our audit, we considered the Agency's internal control over compliance with the requirements that could have a direct and material effect on a major federal program or state financial assistance project 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 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 financial assistance 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 financial assistance 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 for the information of the Board of Directors, management, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Cherry, Behant & Holland, L.L.P.*

Tampa, Florida  
August 7, 2012

**WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC.  
AND AFFILIATE**

**Schedule of Findings and Questioned Costs – Federal Awards and State Financial Assistance Projects  
Year Ended December 31, 2011**

**Part I – Summary of Audit Results**

**Financial Statement Section**

Type of auditors' report issued: Unqualified

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Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ x \_\_\_\_\_ no

Significant deficiency(ies) identified not considered to be material weakness(es)? \_\_\_\_\_ yes \_\_\_\_\_ x \_\_\_\_\_ none reported

Noncompliance material to financial statements noted \_\_\_\_\_ yes \_\_\_\_\_ x \_\_\_\_\_ no

**Federal Awards and State Financial Assistance Section**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ x \_\_\_\_\_ no

Significant deficiency(ies) identified not considered to be material weakness(es)? \_\_\_\_\_ yes \_\_\_\_\_ x \_\_\_\_\_ none reported

Type of auditors' report on compliance for major programs: Unqualified

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Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133 \_\_\_\_\_ yes \_\_\_\_\_ x \_\_\_\_\_ no

**Identification of the major federal programs:**

Name of Federal Program or Cluster	CFDA Number(s)
Department of Health and Human Services	
<u>Aging Cluster:</u>	
Special Programs for the Aging – Title III, Part B - Grants for Supportive Services and Senior Centers	93.044
Special Programs for the Aging – Title III, Part C – Nutrition Services	93.045
Nutrition Services Incentive Program	93.053

**WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC.  
AND AFFILIATE**

**Schedule of Findings and Questioned Costs – Federal Awards and State Financial Assistance Projects  
(continued)  
Year Ended December 31, 2011**

**Identification of the major state projects:**

Name of State Project	CSFA Number(s)
Department of Elder Affairs Community Care for the Elderly	65.010

Dollar threshold used to distinguish between type A and type B programs:

Federal	\$343,635
State	\$300,000

Auditee qualified as low-risk auditee?                        x      yes                                no

**Part II – Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no findings required to be reported in accordance with *Government Auditing Standards*.

**Part III – Findings and Questioned Costs – Major Federal Awards**

This section identifies significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, related to the audit of major federal awards, as required to be reported by OMB Circular A-133.

There were no findings required to be reported in accordance with OMB Circular A-133.

**Part IV – Findings and Questioned Costs – Major State Projects**

This section identifies significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, related to the audit of major state projects, as required to be reported by Chapter 10.650, Rules of the Auditor General.

There were no findings required to be reported in accordance with Chapter 10.650, Rules of the Auditor General.

**Part V – Other Matters**

No management letter is required because there were no findings required to be reported in the management letter.

**WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC.  
AND AFFILIATE**

**Summary Schedule of Prior Year's Audit Findings  
And Corrective Action Plan  
Year Ended December 31, 2011**

There were no prior year audit findings.

There were no current year audit findings; therefore the Agency is not required to prepare a Corrective Action Plan.