



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

CONSOLIDATED FINANCIAL STATEMENTS
AND COMPLIANCE REPORTS

As of and for the Year Ended December 31, 2012

And Report of Independent Auditor

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

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Report of Independent Auditor

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the West Central Florida Area Agency on Aging, Inc. and affiliate (the "Agency") which comprise the consolidated statement of financial position as of December 31, 2012, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements. The prior year summarized comparative information has been derived from the Agency's 2011 consolidated financial statements and, in our report dated August 7, 2012, we expressed an unqualified opinion on those consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Agency and affiliate as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Accompanying Information

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 as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government, and Non-Profit Organization* and Chapter 10.650, *Rules of the Auditor General of the State of Florida* is also presented for purposes of additional analysis 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 as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated July 9, 2013, 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* in considering the Agency's internal control over financial reporting and compliance.

Cherry Bekant LLP

Tampa, Florida
July 9, 2013

WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2012

(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2011)

	<u>2012</u>	<u>2011</u>
ASSETS		
Current assets		
Cash	\$ 1,033,763	\$ 212,328
Due from grantors	2,528,035	3,156,910
Accounts receivable - other	603	4,139
Prepaid expenses and other assets	89,626	102,920
Total current assets	<u>3,652,027</u>	<u>3,476,297</u>
Capital assets, net	57,082	63,304
Total assets	<u><u>\$ 3,709,109</u></u>	<u><u>\$ 3,539,601</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 558,492	\$ 419,517
Refundable advances	87,885	88,948
Due to subrecipients	2,652,022	2,557,968
Total liabilities	<u>3,298,399</u>	<u>3,066,433</u>
Net assets		
Unrestricted net assets	410,710	473,168
Total net assets	<u>410,710</u>	<u>473,168</u>
Total liabilities and net assets	<u><u>\$ 3,709,109</u></u>	<u><u>\$ 3,539,601</u></u>

WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2012

(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2011)

	2012	2011
Support and revenues		
Public support - grants	\$ 18,652,617	\$ 17,917,522
Donated services	2,119	15,099
Other income	38,146	40,837
Total support and revenues	<u>18,692,882</u>	<u>17,973,458</u>
Expenses		
Program services:		
Older Americans Act	8,352,363	8,377,099
Nutrition Services Incentive Program	993,742	912,028
Aging Resource Center	258,935	266,137
Community Care for the Elderly	4,610,326	4,111,086
Home Care for the Elderly	650,472	570,360
Alzheimer's Disease Initiative	725,522	725,321
EHEAP	681,184	742,635
SHINE	144,564	124,223
Medicaid Waiver Specialist	138,756	142,502
Local Service Provider	96,935	109,356
Other DOEA Programs	44,163	188,730
Other Non-DOEA Programs	771,178	433,695
Total program services	<u>17,468,140</u>	<u>16,703,172</u>
Supporting services	1,287,200	1,236,994
Total expenses	<u>18,755,340</u>	<u>17,940,166</u>
Increase (decrease) in net assets	(62,458)	33,292
Net assets at beginning of year	<u>473,168</u>	<u>439,876</u>
Net assets at end of year	<u>\$ 410,710</u>	<u>\$ 473,168</u>

WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2012

(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2011)

	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	SHINE	Medicaid Waiver Specialist
Expenses									
Salaries	\$ 529,605	\$ -	\$ 171,245	\$ 54,916	\$ -	\$ -	\$ -	\$ 56,929	\$ 84,609
Payroll taxes and benefits	113,393	-	39,616	11,848	-	-	-	11,052	19,062
Payroll leasing	5,883	-	2,061	661	-	-	-	632	866
Travel expense	7,034	-	2,251	-	-	-	-	23,901	1,577
Equipment rental	1,447	-	691	-	-	-	-	31	154
Occupancy costs	66,254	-	26,302	5,769	-	-	-	7,495	15,369
Printing and supplies	12,267	-	3,619	77	-	-	-	7,543	4,408
Communications and postage	15,627	-	7,150	615	-	-	-	10,005	2,876
Equipment	15,351	-	1,676	-	-	-	-	12,774	443
Sub-contractors:									
Transfers to subrecipients	7,519,389	993,742	-	4,536,440	650,472	725,522	681,184	-	-
Other sub-contractors	32,464	-	-	-	-	-	-	-	-
Program supplies	2,987	-	-	-	-	-	-	-	-
Insurance	3,991	-	-	-	-	-	-	-	639
Advertising	4,617	-	2,228	-	-	-	-	9,446	1,977
Professional fees	4,802	-	-	-	-	-	-	-	583
Other expenses	17,252	-	2,096	-	-	-	-	4,756	6,193
Depreciation	-	-	-	-	-	-	-	-	-
Total expenses before allocation	8,352,363	993,742	258,935	4,610,326	650,472	725,522	681,184	144,564	138,756
Allocation of management and general	543,978	64,721	16,864	300,264	42,364	47,252	44,365	9,415	9,037
Total expenses	\$ 8,896,341	\$ 1,058,463	\$ 275,799	\$ 4,910,590	\$ 692,836	\$ 772,774	\$ 725,549	\$ 153,979	\$ 147,793

See notes to consolidated financial statements.

WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2012

(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2011)

	Program Services				Supporting Services				Total 2012	Total 2011
	Local Service Provider	Other DOEA Programs	Other Non- DOEA Programs	Total Program Services	Board Operations	Management and General	Total Supporting Services			
Expenses										
Salaries	\$ -	\$ 28,223	\$ 42,088	\$ 967,615	\$ 48,578	\$ 700,922	\$ 749,500	\$ 1,717,115	\$ 1,611,362	
Payroll taxes and benefits	-	3,983	11,335	210,289	(2,013)	173,444	171,431	381,720	407,543	
Payroll leasing	-	640	376	11,119	75	5,325	5,400	16,519	29,849	
Travel expense	-	1,380	1,017	37,160	6,931	12,666	19,597	56,757	53,916	
Equipment rental	-	-	215	2,538	444	(1,035)	(591)	1,947	1,842	
Occupancy costs	-	3,205	7,056	131,450	(4,214)	121,997	117,783	249,233	238,662	
Printing and supplies	-	1,339	1,777	31,030	2,242	15,483	17,725	48,755	55,274	
Communications and postage	-	786	1,570	38,629	607	16,439	17,046	55,675	60,054	
Equipment	-	24	4,747	35,015	1,716	13,461	15,177	50,192	23,602	
Sub-contractors:										
Transfers to subrecipients	96,935	-	634,958	15,838,642	-	-	-	15,838,642	15,051,710	
Other sub-contractors	-	-	-	32,464	-	-	-	32,464	38,165	
Program supplies	-	489	1,118	4,594	-	-	-	4,594	19,801	
Insurance	-	-	571	5,201	4,687	9,046	13,733	18,934	17,379	
Advertising	-	789	723	19,780	774	5,163	5,937	25,717	11,425	
Professional fees	-	-	1,351	6,736	10,168	30,848	41,016	47,752	88,316	
Other expenses	-	3,305	62,276	95,878	41,273	33,918	75,191	171,069	175,108	
Depreciation	-	-	-	-	38,255	-	38,255	38,255	56,158	
Total expenses before allocation	96,935	44,163	771,178	17,468,140	149,523	1,137,677	1,287,200	18,755,340	17,940,166	
Allocation of management and general	6,313	2,876	50,226	1,137,677	-	(1,137,677)	(1,137,677)	-	-	
Total expenses	\$ 103,248	\$ 47,039	\$ 821,404	\$ 18,605,817	\$ 149,523	\$ -	\$ 149,523	\$ 18,755,340	\$ 17,940,166	

See notes to consolidated financial statements.

WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2012
(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2011)

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities		
Increase (decrease) in net assets	\$ (62,458)	\$ 33,292
Adjustments to reconcile increase (decrease) in net assets to net cash flows provided by (used in) operating activities:		
Depreciation	38,255	56,158
(Increase) decrease in:		
Due from grantors	628,875	(957,387)
Advances to subrecipients	-	73,080
Accounts receivable - other	3,536	13,273
Prepaid expenses and other assets	13,294	(9,100)
Increase (decrease) in:		
Accounts payable and accrued expenses	138,975	197,382
Refundable advances	(1,063)	(191,358)
Due to subrecipients	94,054	15,368
Net cash flows provided by (used in) operating activities	<u>853,468</u>	<u>(769,292)</u>
Cash flows from investing activities		
Purchase of furniture and equipment	<u>(32,033)</u>	<u>(2,214)</u>
Net cash flows used in investing activities	<u>(32,033)</u>	<u>(2,214)</u>
Net increase (decrease) in cash	821,435	(771,506)
Cash at beginning of year	<u>212,328</u>	<u>983,834</u>
Cash at end of year	<u>\$ 1,033,763</u>	<u>\$ 212,328</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2012

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, 2012. 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 2012, the Agency did not dispose of any assets acquired under grantor contracts.

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, 2012.

Refundable Advances – Refundable advances represent advances from third parties that require the Agency to achieve certain objectives. Should the Agency not achieve these objectives, the funds would be returned to the third party.

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).

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2012

Note 1 – Nature of activities and summary of significant accounting policies (continued)

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, 2012.

Consolidated Statement of Functional Expenses - The costs of providing the various programs and other activities have been detailed in the consolidated 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 consolidated financial statements in accordance 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 of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from those estimates.

Summarized Financial Information for 2011 - The consolidated 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 consolidated financial statements for the year ended December 31, 2011, from which the summarized information was derived.

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, 2012, was \$25,717.

Subsequent Events - The Agency has evaluated subsequent events through July 9, 2013, in connection with the preparation of these consolidated financial statements, which is the date the consolidated financial statements were available to be issued.

**WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2012

Note 1 – Nature of activities and summary of significant accounting policies (continued)

At February 21, 2013, the Agency obtained a line of credit of \$250,000 payable on demand, with variable interest rate currently at 3.25%.

Note 2 – Concentrations

The Agency places its cash on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation (“FDIC”) covers \$250,000 for substantially all depository accounts. In addition, the FDIC provided unlimited coverage for certain qualifying and participating non-interest bearing transaction accounts through December 31, 2012; however, effective January 1, 2013, the FDIC discontinued the additional unlimited coverage. The Agency from time to time may have amounts on deposit in excess of the insured limits. As of December 31, 2012, the Agency’s bank deposits were fully insured by the FDIC, based on specified coverage. However, the Agency had approximately \$896,000 of uninsured cash balances on January 1, 2013, resulting from the FDIC’s discontinuance of unlimited coverage on non-interest bearing accounts.

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, 2012, is as follows:

Furniture and equipment	\$ 398,846
Leasehold improvements	77,440
Less accumulated depreciation	(419,204)
	<u>\$ 57,082</u>

Note 4 – Lease commitments

The Agency has entered into non-cancelable operating lease agreements for office equipment and office space which expire through June 2017. Minimum annual rentals range from \$5,388 to \$151,472. Total rent expense for the year ended December 31, 2012, was \$200,046.

The total minimum future lease commitments at December 31, 2012, are due as follows:

During the Year Ending December 31,

2013	\$ 176,789
2014	163,331
2015	13,296
2016	11,298
2017	545
	<u>\$ 365,259</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2012

Note 5 – Line of credit

The Agency has an unused line of credit with Bank of Tampa for \$150,000.

Note 6 – Employee benefit plan

The Agency has established a 401(k) profit-sharing plan (the “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 2012, 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, 2012, was \$75,524.

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, 2012

FEDERAL AWARDS:	Federal CFDA Number	Contract Number	Federal Expenditures	Transfers to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed through the State of Florida - Department of Elder Affairs</i>				
Supplemental Nutrition Assistance Program				
Supplemental Nutrition Assistance Program, 07/01/2012 - 08/31/2013	10.580	PO#AA67AB4	\$ 3,731	\$ -
Supplemental Nutrition Assistance Program, 07/01/2011 - 08/31/2012		XQ109	21,016	-
Total U.S. Department of Agriculture			<u>24,747</u>	<u>-</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed through the State of Florida - Department of Elder Affairs</i>				
Administration on Aging				
Special Programs for the Aging - Title IIID, 01/01/2012 - 12/31/2012	93.043	FD012	126,617	-
National Family Caregiver Support - Title IIIE, 01/01/2012 - 12/31/2012	93.052	FA112	1,071,201	773,967
Special Programs for the Aging - Title VII, 01/01/2012 - 12/31/2012	93.041	F7012	23,000	-
			<u>1,220,818</u>	<u>773,967</u>
Aging Cluster				
Special Programs for the Aging - Title III Admin, 01/01/2012 - 12/31/2012	93.044-045	FA112	915,085	-
Special Programs for the Aging - Title IIIB, 01/01/2012 - 12/31/2012	93.044	FA112	2,683,578	2,276,507
Special Programs for the Aging - Title IIIC, 01/01/2012 - 12/31/2012	93.045	FA112	4,468,916	4,468,916
Nutrition Services Incentive Program, 10/01/2012 - 09/30/2013	93.053	FU013	282,552	282,552
Nutrition Services Incentive Program, 10/01/2011 - 09/30/2012	93.053	FU012	711,189	711,189
Total Aging Cluster			<u>9,061,320</u>	<u>7,739,164</u>
Total Administration on Aging			<u>10,282,138</u>	<u>8,513,131</u>
Low-Income Home Energy Assistance Program				
Low-Income Home Energy Assistance, 04/01/2012 - 03/31/2013	93.568	FP012	413,881	389,401
Low-Income Home Energy Assistance, 05/01/2011 - 07/31/2012		FP011	316,266	291,781
Total Low-Income Home Energy Assistance Program			<u>730,147</u>	<u>681,182</u>
Centers for Medicare and Medicaid Services				
Medical Assistance Program				
Medical Assistance Program, 07/01/2011 - 06/30/2012	93.778	FW012	33,968	-
Medical Assistance Program, 07/01/2012 - 12/31/2012		FW013	35,407	-
Medical Assistance Program, 07/01/2011 - 06/30/2012		FX011	59,112	-
Medical Assistance Program, 07/01/2012 - 06/30/2013		FX012	70,352	-
Total Medical Assistance Program			<u>198,839</u>	<u>-</u>
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations Program				
Centers for Medicare and Medicaid Services Research, 04/01/2011 - 03/31/2012	93.779	FN011	57,392	-
Centers for Medicare and Medicaid Services Research, 04/01/2012 - 03/31/2013		FN012	89,720	-
Total Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations Program			<u>147,112</u>	<u>-</u>
Total Centers for Medicare and Medicaid Services			<u>345,951</u>	<u>-</u>
ARRA - Communities Putting Prevention to Work: Chronic Disease				
Self-Management Program, 06/01/2010 - 03/30/2012	93.725	XQ132	19,415	-
Total U.S. Department of Health and Human Services			<u>11,377,651</u>	<u>9,194,313</u>
Total Expenditures of Federal Awards			<u>\$ 11,402,398</u>	<u>\$ 9,194,313</u>

(continued)

**WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC. AND AFFILIATE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL
ASSISTANCE**

YEAR ENDED DECEMBER 31, 2012

STATE FINANCIAL ASSISTANCE:	State CSFA Number	Contract Number	State Expenditures	Transfers to Subrecipients
<i>State of Florida - Department of Elder Affairs</i>				
Home Care for the Elderly Program	65.001			
Home Care for the Elderly, 07/01/2012 - 06/30/2014		FH012	298,359	262,450
Home Care for the Elderly, 07/01/2011 - 06/30/2012		FHO11	<u>428,645</u>	<u>388,022</u>
Total Home Care for the Elderly Program			<u>727,004</u>	<u>650,472</u>
Alzheimer Model Day Care Program	65.002			
Alzheimer Model Day Care, 07/01/2012 - 06/30/2014		FZ012	56,280	56,280
Alzheimer Model Day Care, 07/01/2011 - 06/30/2012		FZ111	<u>62,765</u>	<u>62,765</u>
Total Alzheimer Model Day Care Program			<u>119,045</u>	<u>119,045</u>
Alzheimer's Respite Services Program	65.004			
Alzheimer's Respite Services, 07/01/2012 - 06/30/2014		FZ012	\$ 252,452	\$ 252,452
Alzheimer's Respite Services, 07/01/2011 - 06/30/2012		FZ111	<u>354,023</u>	<u>354,023</u>
Total Alzheimer's Respite Services Program			<u>606,475</u>	<u>606,475</u>
Local Services Program	65.009			
Local Services Program, 07/01/2012 - 06/30/2013		FL012	43,951	42,263
Local Services Program, 07/01/2011 - 06/30/2012		FLO11	<u>56,357</u>	<u>54,672</u>
Total Local Services Program			<u>100,308</u>	<u>96,935</u>
Community Care for the Elderly Program	65.010			
Community Care for the Elderly, 07/01/2012 - 06/30/2014		FC012	2,087,574	2,009,275
Community Care for the Elderly, 07/01/2011 - 06/30/2012		FCO11	<u>2,585,464</u>	<u>2,527,165</u>
Total Community Care for the Elderly Program			<u>4,673,038</u>	<u>4,536,440</u>
Total Expenditures of State Financial Assistance			<u>\$ 6,225,870</u>	<u>\$ 6,009,367</u>

WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC. AND AFFILIATE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL
ASSISTANCE

DECEMBER 31, 2012

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 it was not able to repay the amounts disallowed. It is the opinion of management that no grant expenditures would be disallowed.

GRANT COMPLIANCE

**Report of Independent Auditor 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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of West Central Florida Area Agency on Aging, Inc. and Affiliate (the "Agency"), which comprise the consolidated statement of financial position as of December 31, 2012, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated July 9, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Bekant LLP". The signature is written in a cursive, flowing style.

Tampa, Florida
July 9, 2013

Report of Independent Auditor on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance Required by 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

Report on Compliance for Each Major Federal Program and State Project

We have audited West Central Florida Area Agency on Aging, Inc. and Affiliate's (the "Agency") compliance with the types of compliance requirements described in the OMB Circular A-133, *Compliance Supplement* and the requirements described in the Executive Office of the Governor of the State 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, 2012. The Agency's major federal programs and state financial assistance projects are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state financial assistance projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Agency's major federal programs and state financial assistance projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 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 the major federal programs or state financial assistance projects 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 on compliance for the major federal programs and state financial assistance projects. However, our audit does not provide a legal determination of the Agency's compliance.

Opinion on the Major Federal Programs and State Projects

In our opinion, the Agency complied, in all material respects, with the types of 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, 2012.

Report on Internal Control over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state financial assistance project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.650, 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state financial assistance project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Bekant LLP". The signature is written in a cursive, flowing style.

Tampa, Florida
July 9, 2013

WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC. AND AFFILIATE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2012

Part I – Summary of Audit Results

Financial Statement Section

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

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>
Department of Health and Human Services	
<u>Aging Cluster:</u>	
Special Programs for the Aging - Title IIIB	93.044
Special Programs for the Aging - Title IIIC	93.045
Nutrition Services Incentive Program	93.053
<u>Administration on Aging:</u>	
National Family Caregiver Support – Title IIIE	93.052

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, 2012

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.