

**GOOD WHEELS, INC.**

**FINANCIAL STATEMENTS AND SUPPLEMENTARY  
INFORMATION TOGETHER WITH  
REPORTS OF INDEPENDENT AUDITOR**

**YEARS ENDED  
JUNE 30, 2013 AND 2012**

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**TUSCAN**  
& Company, PA

**Certified Public Accountants & Consultants**

Affiliations

Florida Institute of Certified Public Accountants  
American Institute of Certified Public Accountants  
Private Companies Practice Section  
Tax Division

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Good Wheels, Inc.  
10075 Bavaria Road  
Fort Myers, Florida 33913

**Report on the Financial Statements**

We have audited the accompanying financial statements of Good Wheels, Inc. (a not-for-profit Florida corporation) which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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 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 financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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

**INTEGRITY ..... SERVICE ..... EXPERIENCE**

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 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 financial statements referred to above present fairly, in all material respects, the financial position of Good Wheels, Inc. as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of Good Wheels, Inc. taken as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance for the year ended June 30, 2013 and the Notes thereto are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and are not a required part of the 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 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 accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance for the year ended June 30, 2013 and the Notes thereto are fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Information

The Exhibit - Management's Response to Independent Auditor's Report to Management, is not a required part of the financial statements but is required by Government Auditing Standards and State of Florida Chapter 10.650 "Rules of the Auditor General". Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated August 30, 2013, on our consideration of Good Wheels, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Good Wheels, Inc.'s internal control over financial reporting and compliance.

*Tuscan & Company, P.A.*

TUSCAN & COMPANY, P.A.  
Fort Myers, Florida  
August 30, 2013

**GOOD WHEELS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2013 and 2012**

<b>ASSETS</b>	<u>2013</u>	<u>2012</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (including restricted cash of \$0 and \$43,129 as of June 30, 2013 and 2012, respectively)	\$ 112,536	\$ 66,508
Receivables:		
Trade and other	183,699	290,165
Grants and contracts	124,618	103,729
Inventory	13,450	19,588
Prepaid expenses	<u>73,482</u>	<u>98,908</u>
<b>TOTAL CURRENT ASSETS</b>	507,785	578,898
<b>PROPERTY AND EQUIPMENT, NET</b>	1,820,413	2,081,986
<b>OTHER ASSETS</b>		
Deposits	<u>1,565</u>	<u>1,565</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,329,763</u>	<u>\$ 2,662,449</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of long-term obligations	\$ 59,626	\$ 102,634
Accounts payable	180,250	141,547
Accrued expenses	175,662	203,188
Deferred revenue	<u>1,750</u>	<u>4,971</u>
<b>TOTAL CURRENT LIABILITIES</b>	417,288	452,340
<b>LONG-TERM OBLIGATIONS, net of current portion</b>	1,017,741	1,078,116
<b>COMMITMENT AND CONTINGENCIES</b>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>1,435,029</u>	<u>1,530,456</u>
<b>NET ASSETS</b>		
Unrestricted	894,734	1,088,864
Temporarily restricted	<u>-</u>	<u>43,129</u>
<b>TOTAL NET ASSETS</b>	<u>894,734</u>	<u>1,131,993</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 2,329,763</u>	<u>\$ 2,662,449</u>

The accompanying notes are an integral part of this statement.

**GOOD WHEELS, INC.**  
**STATEMENTS OF ACTIVITIES**  
**Years ended June 30, 2013 and 2012**

	2013		
	Unrestricted	Temporarily Restricted	Total
<b>CHANGES IN NET ASSETS</b>			
<b>REVENUES, SUPPORT AND RECLASSIFICATIONS</b>			
PUBLIC COMMUNITY TRANSPORTATION REVENUES AND SUPPORT			
Federal grants	\$ -	\$ 377,372	\$ 377,372
State grants	-	1,117,497	1,117,497
State matching for Federal grants	-	28,793	28,793
Medicaid	2,656,626	-	2,656,626
DCF/other agencies	385,925	-	385,925
Lee County	-	-	-
Hendry County	30,000	-	30,000
<b>TOTAL PUBLIC COMMUNITY TRANSPORTATION REVENUES AND SUPPORT</b>	<b>3,072,551</b>	<b>1,523,662</b>	<b>4,596,213</b>
OTHER REVENUES AND SUPPORT			
Transportation revenues	336,464	-	336,464
United Way	107,760	-	107,760
Donations	27,238	-	27,238
Other	70,159	-	70,159
<b>TOTAL OTHER REVENUES AND SUPPORT</b>	<b>541,621</b>	<b>-</b>	<b>541,621</b>
<b>TOTAL REVENUES AND SUPPORT</b>	<b>3,614,172</b>	<b>1,523,662</b>	<b>5,137,834</b>
Net assets released from restrictions:			
Satisfaction of program restrictions	1,566,791	(1,566,791)	-
<b>TOTAL REVENUES, SUPPORT AND RECLASSIFICATIONS</b>	<b>5,180,963</b>	<b>(43,129)</b>	<b>5,137,834</b>
<b>EXPENSES</b>			
Program services	5,209,693	-	5,209,693
Supporting services	165,400	-	165,400
<b>TOTAL EXPENSES</b>	<b>5,375,093</b>	<b>-</b>	<b>5,375,093</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>(194,130)</b>	<b>(43,129)</b>	<b>(237,259)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>1,088,864</b>	<b>43,129</b>	<b>1,131,993</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 894,734</b>	<b>\$ -</b>	<b>\$ 894,734</b>

The accompanying notes are an integral part of this statement.

2012		
Unrestricted	Temporarily Restricted	Total
\$ -	\$ 334,357	\$ 334,357
-	1,001,768	1,001,768
-	12,482	12,482
2,409,381	-	2,409,381
483,660	43,129	526,789
-	-	-
<u>30,000</u>	<u>-</u>	<u>30,000</u>
2,923,041	1,391,736	4,314,777
378,337	-	378,337
112,000	-	112,000
36,584	-	36,584
107,233	-	107,233
<u>634,154</u>	<u>-</u>	<u>634,154</u>
3,557,195	1,391,736	4,948,931
<u>1,348,607</u>	<u>(1,348,607)</u>	<u>-</u>
<u>4,905,802</u>	<u>43,129</u>	<u>4,948,931</u>
5,418,307	-	5,418,307
194,081	-	194,081
<u>5,612,388</u>	<u>-</u>	<u>5,612,388</u>
(706,586)	43,129	(663,457)
<u>1,795,450</u>	<u>-</u>	<u>1,795,450</u>
<u>\$ 1,088,864</u>	<u>\$ 43,129</u>	<u>\$ 1,131,993</u>

The accompanying notes are an integral part of this statement.

**GOOD WHEELS, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**Years Ended June 30, 2013 and 2012**

	2013		
	Program Services	Management and General	Total Expenses
Personnel Costs and Related Expenses			
Wages, salaries and contract labor	\$ 2,210,007	\$ 116,316	\$ 2,326,323
Employee benefits	360,731	18,986	379,717
Retirement	44,629	2,349	46,978
Payroll taxes	200,068	10,530	210,598
Other personnel costs	14,367	-	14,367
TOTAL PERSONNEL COSTS AND RELATED EXPENSES	<u>2,829,802</u>	<u>148,181</u>	<u>2,977,983</u>
Operating Expenses			
Occupancy	-	-	-
Office	102,028	5,370	107,398
Interest	77,021	4,054	81,075
Travel	6,754	-	6,754
Professional fees	35,918	1,890	37,808
Communication and utilities	56,786	2,989	59,775
Equipment, rent and maintenance	39,550	2,082	41,632
Dues	4,897	258	5,155
Printing and advertising	3,868	204	4,072
Vehicle	770,817	-	770,817
Postage	7,060	372	7,432
Fuel and lubricants	672,385	-	672,385
TOTAL OPERATING EXPENSES	<u>1,777,084</u>	<u>17,219</u>	<u>1,794,303</u>
TOTAL EXPENSES BEFORE DEPRECIATION	4,606,886	165,400	4,772,286
Depreciation	<u>602,807</u>	<u>-</u>	<u>602,807</u>
TOTAL EXPENSES	<u>\$ 5,209,693</u>	<u>\$ 165,400</u>	<u>\$ 5,375,093</u>

The accompanying notes are an integral part of this statement.

2012		
Program Services	Management and General	Total Expenses
\$ 2,302,751	\$ 136,360	\$ 2,439,111
371,858	22,059	393,917
48,664	2,887	51,551
201,208	11,936	213,144
19,974	-	19,974
<u>2,944,455</u>	<u>173,242</u>	<u>3,117,697</u>
6,062	360	6,422
99,684	5,913	105,597
80,855	4,797	85,652
7,788	-	7,788
38,149	2,263	40,412
61,250	3,633	64,883
48,558	2,881	51,439
6,738	400	7,138
3,734	221	3,955
704,717	-	704,717
6,247	371	6,618
<u>687,449</u>	<u>-</u>	<u>687,449</u>
<u>1,751,231</u>	<u>20,839</u>	<u>1,772,070</u>
4,695,686	194,081	4,889,767
<u>722,621</u>	<u>-</u>	<u>722,621</u>
<u>\$ 5,418,307</u>	<u>\$ 194,081</u>	<u>\$ 5,612,388</u>

The accompanying notes are an integral part of this statement.

**GOOD WHEELS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years ended June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 439,411	\$ 287,251
Cash received from grants and contracts	4,683,084	4,420,720
Cash received from donations	27,238	36,584
Cash received from other sources	69,066	96,186
Cash payments for goods and services	(2,304,729)	(2,379,619)
Cash payments to employees	(2,347,118)	(2,411,961)
Interest paid	<u>(77,400)</u>	<u>(85,653)</u>
 NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	 <u>489,552</u>	 <u>(36,492)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(342,141)	(130,106)
Proceeds received from sale of property and equipment	<u>2,000</u>	<u>13,100</u>
 NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	 <u>(340,141)</u>	 <u>(117,006)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds received from long-term obligations (LOC)	200,000	75,000
Principal payments of long-term obligations	<u>(303,383)</u>	<u>(170,232)</u>
 NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	 <u>(103,383)</u>	 <u>(95,232)</u>
 Net increase (decrease) in cash and cash equivalents	 46,028	 (248,730)
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	 <u>66,508</u>	 <u>315,238</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	 <u>\$ 112,536</u>	 <u>\$ 66,508</u>

The accompanying notes are an integral part of this statement.

**RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS  
TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

	<u>2013</u>	<u>2012</u>
Increase (Decrease) in Net Assets	<u>\$ (237,259)</u>	<u>\$ (663,457)</u>
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided By (Used In) Operating Activities		
Depreciation	602,807	722,621
(Gain) loss on sale of property and equipment	(1,093)	(11,047)
(Increase) decrease in accounts receivable - trade and other	106,168	(82,536)
(Increase) decrease in employee receivables	298	(139)
(Increase) decrease in grants and contracts receivable	(20,889)	(6,057)
(Increase) decrease in inventory	6,138	(18,063)
(Increase) decrease in prepaid expenses	25,426	4,165
(Increase) decrease in deposits	-	920
Increase (decrease) in accounts payable	38,703	2,795
Increase (decrease) in accrued payroll	(4,473)	20,263
Increase (decrease) in accrued payroll taxes	4,374	(460)
Increase (decrease) in accrued vacation	(16,620)	2,909
Increase (decrease) in accrued retirement	(665)	116
Increase (decrease) in other accrued expenses	(10,142)	28
Increase (decrease) in deferred revenue	<u>(3,221)</u>	<u>(8,550)</u>
TOTAL ADJUSTMENTS	<u>726,811</u>	<u>626,965</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 489,552</u>	<u>\$ (36,492)</u>

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of activities**

Good Wheels, Inc. (Good Wheels) is a Florida not-for-profit organization. Good Wheels provides transportation services in non-urbanized areas as well as transportation services to individuals with disabilities and handicaps in Lee, Hendry and Glades Counties, Florida. Good Wheels was established in June 1990.

Good Wheels is currently the Community Transportation Coordinator, designated pursuant to Chapter 427, Florida Statutes, for those counties noted previously. The purpose of the coordinator is to arrange and/or provide transportation services for the transportation disadvantaged in a manner that is cost effective, efficient and reduces fragmentation and duplication of services. Good Wheels' main facility and administrative offices are located in Lee County.

In recent years, as an expanded community service offered primarily to schools and other not-for-profit organizations, Good Wheels, Inc. began providing a charter bus service.

The following is a summary of the significant accounting policies used in the preparation of these financial statements:

**Basis of accounting**

The accounting and reporting policies of Good Wheels conform to accounting principles generally accepted in the United States of America and are in accordance with the audit guide issued by the American Institute of Certified Public Accountants, "Not-for-Profit Organizations".

Good Wheels prepares its financial statements on the accrual basis of accounting. Grant revenues are recorded as support when performance occurs under the terms of the grant agreement. Grant revenue includes all resources received from another entity in accordance with an entitlement or grant document.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Cash and cash equivalents**

For the purpose of the Statements of Cash Flows, Good Wheels considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. At June 30, 2013 and 2012, Good Wheels held no cash equivalents.

**Investments**

The investment policy of Good Wheels permits the investment of excess cash in certificates of deposits. At June 30, 2013 and 2012, Good Wheels, Inc. had no such investments, nor were any such investments held during the years ended June 30, 2013 and 2012.

**Receivables**

Receivables balances consist of billings due from Federal and State entities as well as provider agencies and individual clients for transportation services provided by Good Wheels. Good Wheels uses the direct write-off method of accounting for uncollectible accounts associated with granting agencies, provider agencies, and private charters. For amounts due from individual clients, Good Wheels reports accounts receivable net of an allowance for doubtful accounts. At June 30, 2013 and 2012, all recorded receivables are considered by management to be fully collectible within the subsequent fiscal year. Accordingly, no allowance for doubtful accounts has been recorded.

**Concentration of credit risk**

Concentration of credit risk with respect to the receivables are limited to the large number of customers throughout Southwest Florida as well as Federal and State agencies. Good Wheels does not anticipate material credit losses in the near future.

**Inventories**

Inventories consist of fuel and lubricants held at year end. The inventories are valued at cost, which approximates market. The method used to determine the value of the inventory is the FIFO (first in-first out) method.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Property and equipment**

Good Wheels' policy is to capitalize assets with a cost of \$1,000 or more and a useful life greater than 1 year. Property and equipment is recorded at cost, except for donated property and equipment, which are recorded at their fair value at the date of the gift. Assets are depreciated using straight-line and accelerated methods (which approximate straight-line) over their respective estimated lives, as follows:

<u>Property and Equipment Category</u>	<u>Useful Lives</u>
Furniture, fixtures and equipment	3-10 years
Vehicles	5 years
Building and Improvements	39 years

**Accounting for impairment of long-lived assets**

Good Wheels adheres to the FASB ASC 360-10-50-2 (formerly Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards (SFAS) No. 144), "Accounting for the Impairment or Disposal of Long-Lived Assets"). FASB ASC 360-10-50-2 requires, among other things, that entities identify events or changes in circumstances which indicate that the carrying amount of an asset may not be recoverable.

There was no effect on Good Wheels' financial statements resulting from FASB ASC 360-10-50-2 for the years ended June 30, 2013 and 2012.

**Revenue recognition**

All grantor-restricted support is reported as an increase in temporarily restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Donor restricted contributions, whose restrictions are met in the same reporting period, are reported as unrestricted support.

**Grant revenue**

Good Wheels receives financial support from governmental contracts that are negotiated annually. Although a maximum fee per trip is established during the

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Grant revenue, continued**

negotiation process, income is earned on the basis of units of service provided. That is, income is earned and recognized only to the extent of trips provided. The governmental grants enable Good Wheels to provide coordinated transportation primarily to elderly, handicapped, and disadvantaged persons and to other eligible persons who request the services.

**Advertising costs**

It is the policy of Good Wheels to expense advertising costs when incurred.

**Donated services**

No amount has been reflected in the financial statements for donated services, inasmuch as no objective basis is available to measure the value of such services. However, a number of volunteers, including the Board of Directors, have donated significant amounts of their time and expertise to Good Wheels programs and supporting services.

**Functional expenses**

The cost of providing the various programs and other activities have been detailed in the Statements of Functional Expenses and summarized on a functional basis in the Statements of Activities. Expenses that can be identified with a specific program service are charged directly to that program, according to their natural expenditure classification. Management and general expenses, although common to several programs, are not allocated as no objective basis for allocation has been identified.

**Subsequent events**

Subsequent events have been evaluated through August 30, 2013, which is the date the financial statements were available to be issued.

**Income taxes**

No provision for income tax expense has been made in the accompanying financial statements, since Good Wheels, Inc. is exempt from income taxes under Internal Revenue Code Section 501(c)(3). In addition, Good Wheels is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Income taxes, continued**

The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances. Good Wheels reports no net unrelated business taxable income. However, such status is subject to final determination upon examination of the related tax returns by the appropriate taxing authorities. The informational returns (US Form 990) for the prior three (3) years are open for examination.

**Compensated absences**

Good Wheels employees accumulate vacation leave based on the number of years of continuous service. Upon termination of employment, employees can receive payment for vacation leave if they meet certain criteria. The accumulated vacation leave and related employment taxes have been accrued and recorded as accrued vacation.

**Management 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE B - CASH AND CASH EQUIVALENTS**

The carrying value of cash and cash equivalents consist of the following at June 30:

	<u>2013</u>	<u>2012</u>
Cash on hand	\$ 250	\$ 250
Depository accounts	112,286	66,258
	<u>\$ 112,536</u>	<u>\$ 66,508</u>

The nature of cash and cash equivalents (carrying value) is as follows at June 30:

	<u>2013</u>	<u>2012</u>
Unrestricted cash	\$ 112,536	\$ 23,379
Restricted cash	-	43,129
	<u>\$ 112,536</u>	<u>\$ 66,508</u>

Restricted cash consists of deferred revenue and/or temporarily restricted net assets at year end.

**NOTE B - CASH AND CASH EQUIVALENTS, CONTINUED**

**Federal depository insurance**

Good Wheels maintains its cash and cash equivalents in financial institutions located in Southwest Florida. Its cash and cash equivalents are federally insured up to \$250,000 per financial institution. Management does not believe the entity is exposed to significant credit risk, as the financial institution holding significantly all the entity's cash is a national financial institution. The entity has experienced no losses from credit risk. At June 30, the bank balances of Good Wheels' depository accounts are categorized as follows:

	<u>2013</u>	<u>2012</u>
Amount covered by Federal Depository Insurance	\$ 113,630	\$ 67,251
Amount uninsured	-	-
	<u>\$ 113,630</u>	<u>\$ 67,251</u>

**NOTE C - TRADE AND OTHER RECEIVABLES**

Trade and other receivables consist of the following at June 30:

	<u>2013</u>	<u>2012</u>
Trade receivables	\$ 183,368	\$ 289,536
Employee advances	331	629
	<u>\$ 183,699</u>	<u>\$ 290,165</u>

The management of Good Wheels believes the receivables to be fully collectible. Therefore, no allowance for doubtful accounts has been recorded.

**NOTE D - GRANTS AND CONTRACTS RECEIVABLE**

Grants and contracts receivable from Federal and/or State agencies and/or pass-through entities consist of the following as of June 30:

	<u>2013</u>	<u>2012</u>
FTA Section 5317 Grant	\$ 8,083	\$ 18,764
TD Commissions - Lee County	52,428	48,273
TD Commissions - Hendry & Glades Co.	36,377	33,554
FDOT - Clewiston-Bell Glade	9,881	3,138
FTA Section 5311 Grant	17,849	-
	<u>\$ 124,618</u>	<u>\$ 103,729</u>

**GOOD WHEELS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2013 and 2012**

**NOTE E - PREPAID EXPENSES**

Prepaid expenses consist of the following at June 30:

	<u>2013</u>	<u>2012</u>
Prepaid Insurance	\$ 70,482	\$ 92,984
Other Prepaids	3,000	5,924
	<u>\$ 73,482</u>	<u>\$ 98,908</u>

**NOTE F - PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at June 30:

	<u>2013</u>	<u>2012</u>
Land	\$ 285,000	\$ 285,000
Building and improvements	833,585	833,585
Vehicles	4,164,795	4,025,641
Furniture, fixtures and equipment	402,239	347,825
	<u>5,685,619</u>	<u>5,492,051</u>
Less: accumulated depreciation	<u>(3,865,206)</u>	<u>(3,410,065)</u>
	<u>\$ 1,820,413</u>	<u>\$ 2,081,986</u>

Depreciation expense was \$602,807 and \$722,621 for the years ended June 30, 2013 and 2012, respectively.

**NOTE G - ACCRUED EXPENSES**

Accrued expenses consist of the following at June 30:

	<u>2013</u>	<u>2012</u>
Wages, salaries and bonuses, net	\$ 75,793	\$ 80,266
Payroll tax and withholding	26,719	22,345
Vacation	75,136	91,756
Retirement	3,005	3,670
Other accrued expenses	(4,991)	5,151
	<u>\$ 175,662</u>	<u>\$ 203,188</u>

**NOTE H - LONG-TERM OBLIGATIONS**

Long-term obligations consist of the following obligations at June 30:

	2013	2012
\$89,000 note payable to a finance company for a vehicle dated August 2007. The note is payable in 72 monthly installments of \$1,554 including interest at 7.85% and is collateralized by the respective vehicle. Final balance due July 1, 2013.	\$ 2,735	\$ 20,405
\$86,333 note payable to a finance company for a vehicle dated March 20, 2008. The note is payable in 72 monthly installments of \$1,458 including interest of 6.67% and is collateralized by the respective vehicle. Final balance due March 26, 2014.	12,017	28,825
\$161,853 note payable for two (2) vehicles dated August 28, 2007. The note is payable to a finance company in 72 monthly installments of \$2,838 including interest of 8.01% and is collateralized by the respective vehicles. Final balance due August 28, 2013.	5,595	37,793
Refinanced and consolidated \$1,200,000 note payable draw down line of credit (LOC) to a financial institution collateralized by the respective real property. The LOC was amended June 6, 2008 and advances were available until February 12, 2009. The LOC required six (6) monthly interest only payments beginning July 12, 2008, then monthly payments of \$9,158, including principal and interest at 6.7% beginning March 12, 2009 until paid in full. All unpaid principal and interest is due February 12, 2029.	1,057,020	1,093,727
Revolving line of credit (LOC) payable to a financial institution in the amount of \$200,000. This revolving line of credit is uncollateralized. All outstanding principal plus accrued interest at the prime rate plus 1.75% is due December 31, 2013. The line is annually renewable.	-	-
	1,077,367	1,180,750
Less: current portion	(59,626)	(102,634)
	\$ 1,017,741	\$ 1,078,116

Good Wheels borrowed and repaid \$200,000 and \$75,000 on the LOC during the years ended June 30, 2013 and 2012, respectively.

Interest costs related to the long-term obligations were approximately \$81,075 and \$85,652 for the years ended June 30, 2013 and 2012, respectively. No interest costs were capitalized for the year ended June 30, 2013 and 2012, respectively.

**NOTE H - LONG-TERM OBLIGATIONS, CONTINUED**

Principal maturities of long-term obligations are as follows at:

Year Ending June 30	Amount
2014	\$ 59,626
2015	42,033
2016	44,799
2017	48,118
2018	51,490
2019-2023	316,742
2024-2028	444,461
2029	70,098
	<u>\$ 1,077,367</u>

**NOTE I - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consist of the following at June 30:

	2013	2012
League Club - vehicles	\$ -	\$ 10,903
FL Heartland REDI- Clew-Belle shuttles	-	30,226
CAMEO - vehicles	-	2,000
	<u>\$ -</u>	<u>\$ 43,129</u>

**NOTE J - ENDOWMENT FUND**

On April 14, 2001, Good Wheels, Inc. entered into an agreement with a local foundation (an unrelated organization) to create an endowment fund for the benefit of Good Wheels, Inc. The agreement called for a \$5,000 contribution by Good Wheels to the local foundation that was matched by the local foundation, creating a total endowment of \$10,000.

The endowment fund is not recorded on the books of Good Wheels, as the assets are the property of the local foundation in accordance with the terms of the agreement. The assets of the fund are held for the benefit of Good Wheels, Inc. and the income from the fund is available to be distributed to Good Wheels annually. Income from the fund has historically been reinvested by the foundation at the direction of Good Wheels. The balance of the fund held by the foundation was \$14,200 and \$12,938 as of June 30, 2013 and 2012, respectively. The accumulated earnings (loss) held by the foundation for the benefit of the Good Wheels was \$4,200 and \$2,938, at June 30, 2013 and 2012, respectively.

**NOTE K - RETIREMENT PLANS**

Good Wheels offers its qualified employees a defined contribution retirement 401(k) profit sharing plan. The significant features of the plan are as follows:

Plan Participation

Employee Eligibility:	
Employee contributions:	age 21, no service requirement
Employer contributions (base and matching):	age 21 and 1 year of service (must be employed on last day of fiscal year)
Vesting:	100% after 3 years of credited service or attainment of age 55
Employee contribution:	1% - 100% up to IRS annual limit
Employer base contribution:	2% of eligible participants' compensation
Employer match contribution:	lesser of 50% of employee's contribution or .5% of eligible participants' compensation
Normal retirement age:	55 years
Participant loans:	limited to lesser 50% of vested balance or \$50,000

Retirement plan expense was \$46,978 and \$51,551 for the years ended June 30, 2013 and 2012, respectively, and is included as part of the personnel costs and related expenses in the Statements of Functional Expenses. Good Wheels' required contribution rate is 2%.

**NOTE L - FUNDRAISING COSTS**

Good Wheels incurred no specific fundraising costs and generated no specific funds from fundraising during the years ended June 30, 2013 and 2012.

**NOTE M - ECONOMIC DEPENDENCE**

Good Wheels' operations are substantially dependent on the receipt of support and revenue from grantor and contract agencies. Loss of these funds and/or large decreases in this type of funding would have a material effect on the financial position of Good Wheels and a severe impact on overall operations. For the years ended June 30, 2013 and 2012, substantially 88% and 87% of total support and revenue is attributable to funds received from contractor and grantor agencies, respectively.

**NOTE N - COMMITMENTS AND CONTINGENCIES**

Good Wheels is currently receiving and previously has received grants, contracts, and other third party funds which are subject to special compliance audits by the grantor and other third party agencies that provide these reimbursements. These audits may result in disallowed expense amounts.

Disallowed amounts, if any, constitute a contingent liability of Good Wheels. Accordingly, such liabilities are not reflected within the financial statements of Good Wheels, as management does not believe any contingent liabilities that may exist to be material.

Good Wheels is involved from time to time in routine litigation. Management believes losses, if any, to be fully covered by third-party insurance.

**NOTE O - UNITED WAY CONTRIBUTIONS**

The Lee County United Way provided Good Wheels with grants of \$87,990 (including \$69,640 regular allocation and \$18,350 supplemental allocations) and \$92,000 (including \$88,000 regular allocation and \$4,000 supplemental allocation) and for the years ended June 30, 2013 and 2012, respectively.

The Hendry/Glades United Way provided Good Wheels with grants of \$19,770 and \$20,000 for the years ended June 30, 2013 and 2012, respectively.

**SUPPLEMENTARY INFORMATION**

**GOOD WHEELS, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**Year Ended June 30, 2013**

Grantor Agency/Program Title	Federal CFDA/ State CSFA Number
<b>FEDERAL AWARDS</b>	
<b><u>U.S. Department of Transportation - Federal Transit Administration</u></b>	
<b>Passed through the Florida Department of Transportation</b>	
Section 5310 - Elderly and Persons with Disabilities Program (Vehicle Gran	√ 20.513
Section 5310 - Elderly and Persons with Disabilities Program (Vehicle Gran	√ 20.513
Section 5310 - Elderly and Persons with Disabilities Program (Vehicle Gran	√ 20.513
Section 5317 - New Freedom Trip Grant	√ 20.521
 <i>ARRA Funds</i> - Section 5311 - Capital	 20.509
Section 5311 - Formula Grants for Other Than Urbanized Areas	20.509
Section 5311 - Formula Grants for Other Than Urbanized Areas	20.509
TOTAL FEDERAL AWARDS	
 <b>STATE FINANCIAL ASSISTANCE</b>	
<b><u>Florida Department of Transportation</u></b>	
MAJOR (Type A)	
Lee County Transportation Disadvantaged	55.001
Hendry & Glades County Transportation Disadvantaged	55.001
Shirley Conroy Rural Area Capital Assisstance Program	55.001
NON-MAJOR (Type B)	
Clewiston-Belle Glade Route Transit Corridor Program	55.013
TOTAL STATE FINANCIAL ASSISTANCE	
TOTAL FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE	

√ - Transit Services Program Cluster

(1) Includes receivable of \$8,083

(2) Includes receivable of \$17,849

(3) Includes receivable of \$52,428

(4) Includes receivable of \$36,377

(5) Includes receivable of \$9,881

(6) No federal single audit required as disbursements are less than \$500,000. For informational purposes only.

<u>Grant Contract Number</u>	<u>Program or Award Amount</u>	<u>Receipts or Revenue Recognized</u>		<u>Disbursements/ Expenditures</u>
FL-16-0034	\$ 510,029	\$ 10,101	*	\$ 10,101
FL-16-0036	154,262	153,198	**	153,198
FL-16-0037	66,843	66,843	***	66,843
AQ674	<u>100,000</u>	<u>31,633</u>	(1)	<u>31,633</u>
	831,134	261,775		261,775
API20	63,299	8,000		8,000
AOW92	319,922	107,597	(2)	107,597
AQR19	<u>75,000</u>	<u>-</u>		<u>-</u>
	<u>458,221</u>	<u>115,597</u>		<u>115,597</u>
	<u>1,289,355</u>	<u>377,372</u>		<u>377,372</u> (6)
AQO95	630,239	630,239	(3)	630,239
AQO91	436,534	436,534	(4)	436,534
AQU13	<u>10,649</u>	<u>6,887</u>		<u>6,887</u>
	1,077,422	1,073,660		1,073,660
APF42	<u>287,200</u>	<u>43,837</u>	(5)	<u>43,837</u>
	<u>1,364,622</u>	<u>1,117,497</u>		<u>1,117,497</u>
	<u>\$ 2,653,977</u>	<u>\$ 1,494,869</u>		<u>\$ 1,494,869</u>

\* - Does not include State Funded Matching of Federal Awards of \$1,283

\*\* - Does not include State Funded Matching of Federal Awards of \$19,155

\*\*\* - Does not include State Funded Matching of Federal Awards of \$8,355

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS AND STATE FINANCIAL ASSISTANCE  
Year ended June 30, 2013**

**NOTE A - BASIS OF PRESENTATION**

The Schedule of Expenditures of Federal Awards and State Financial Assistance has been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America and is in accordance with the provisions of the OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", the Florida Single Audit Act (FS, 215.97) and the State of Florida, Rules of the Auditor General 10.650.

Expenditures reported on the Schedule of Expenditures of Federal Awards and State Financial Assistance include cash disbursements, whether capitalized or expensed, during the fiscal year as well as grant related amounts recorded as payable at year end. Revenues reported on the Schedule of Expenditures of Federal Awards and State Financial Assistance include cash receipts, whether recognized or deferred, as well as grant receivables recorded at year end.

**NOTE B - MATCH/PARTICIPATION REQUIREMENTS**

Good Wheels received financial assistance from certain grants and contracts requiring local match/participation in the form of cash. A maximum match/participation amount is established at the time the financial assistance is awarded. However, revenue is earned on the reimbursement basis and can only be recognized to the extent of applicable, eligible and allowable disbursement. The match/participation requirement is, therefore, based on a contracted portion of allowable disbursements.

For the fiscal year ended June 30, 2013, Good Wheels had met its match/participation requirements.

**NOTE C - INDIRECT COSTS**

Good Wheels did not routinely allocate costs to Federal Awards and State Financial Assistance programs. Costs charged to such programs were direct costs unless specifically incurred for the program and allowed and indicated as such.

**ADDITIONAL REPORTS OF  
INDEPENDENT AUDITOR**



**TUSCAN**  
& Company, PA

**Certified Public Accountants & Consultants**

Affiliations

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

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

Board of Directors  
Good Wheels, Inc.  
10075 Bavaria Road  
Fort Myers, Florida 33913

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained the Government Auditing Standards, issued by the Comptroller General of the United States of America the financial statements of Good Wheels, Inc. which comprise the Statements of Financial Position as of June 30, 2013 and the related Statements of Activities, Functional Expenses and Cash Flows for the year then ended and the related notes to the financial statements and have issued our report dated August 30, 2013.

Internal Control Over Financial Reporting

Management of Good Wheels, Inc. is responsible for establishing and maintaining effective internal control over financial reporting.

In planning and performing our audit of the financial statements, we considered Good Wheels, Inc.'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of Good Wheels, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Good Wheels, Inc.'s internal control.

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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 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.

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 basic financial statements will not be prevented or detected and corrected on a timely basis.

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Good Wheels, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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 result of that testing, and not to provide an opinion on the effectiveness of Good Wheels, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Good Wheels, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Tuscan & Company, P.A.*

TUSCAN & COMPANY, P.A.

Fort Myers, Florida

August 30, 2013



**TUSCAN**  
& Company, PA

**Certified Public Accountants & Consultants**

Affiliations

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

**Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Project and on Internal Control Over Compliance in Accordance with the Florida Single Audit Act (Florida Statute 215.97)**

Board of Directors  
Good Wheels, Inc.  
10075 Bavaria Road  
Fort Myers, Florida 33913

Report on Compliance For Each Major Federal Program

We have audited Good Wheels, Inc.'s compliance with the types of compliance requirements described in the "State Projects Compliance Supplement" that could have a direct and material effect on each of Good Wheels, Inc.'s major state projects for the year ended June 30, 2013. Good Wheels, Inc.'s major state projects are identified in the accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Good Wheels, Inc.'s major state 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; the Florida Single Audit Act (Florida Statute 215.97) and the State of Florida, Rules of the Auditor General 10.650. Those Standards, the Florida Single Audit Act (Florida Statute 215.97) and the State of Florida, Rules of the Auditor General 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 a major state project occurred. An audit includes examining, on a test basis, evidence about Good Wheels, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Good Wheels, Inc.'s compliance with those requirements.

INTEGRITY ..... SERVICE ..... EXPERIENCE

Opinion on Each Major Project

In our opinion, Good Wheels, Inc., complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended June 30, 2013.

Report on Internal Control Over Compliance

The management of Good Wheels, Inc. 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 Good Wheels, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major state project to determine the auditing procedures that are appropriate on the circumstances for the purpose of expressing an opinion on compliance for each major state project and to test and report on internal control over compliance in accordance with the Florida Single Audit Act (Florida Statute 215.97), 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 Good Wheels, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state 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. 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 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. 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. Accordingly, this report is not suitable for any other purpose.

*Tuscan & Company, P.A.*

TUSCAN & COMPANY, P.A.

Fort Myers, Florida

August 30, 2013

**GOOD WHEELS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED**  
**COSTS - STATE FINANCIAL ASSISTANCE**  
**Year ended June 30, 2013**

***Section I – Summary of Auditor’s Results***

**Financial Statements**

Type of auditor's report issued	Unmodified		
Internal control over financial reporting:			
Control deficiency(ies) identified?	_____	Yes <u>  X  </u>	No
Significant deficiency(ies) identified?	_____	Yes <u>  X  </u>	No
Material weakness(es) identified?	_____	Yes <u>  X  </u>	None reported
Noncompliance material to financial statements noted?	_____	Yes <u>  X  </u>	No

**State Financial Assistance**

Internal control over major projects:			
Control deficiency(ies) identified?	_____	Yes <u>  X  </u>	No
Significant deficiency(ies) identified?	_____	Yes <u>  X  </u>	No
Material weakness(es) identified?	_____	Yes <u>  X  </u>	None Reported
Type of auditors report issued on compliance for major projects	Unqualified		
Any audit findings disclosed that are required to be reported in accordance with Rules of the Auditor General 10.654(1)(h)(4)?	_____	Yes <u>  X  </u>	No

Identification of major projects:

CSFA	
<u>Number(s)</u>	<u>Name of State Project</u>
	State of Florida, Florida Department of Transportation Disadvantaged (CTD) Trip and Equipment
55.001	AQO95
55.001	AQO91
55.001	AQU13

Dollar threshold used to distinguish between Type A and Type B projects?                      Threshold used was \$300,000

Listing of Subrecipients and amounts passed-through:  
 There were no subgrantees

***Section II- Financial Statement Findings***

There were no control deficiencies, significant deficiencies, material weaknesses, or instances of noncompliance related to the financial statements.

**GOOD WHEELS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED**  
**COSTS - STATE FINANCIAL ASSISTANCE,**  
**CONTINUED**  
**Year ended June 30, 2013**

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*Section III- State Financial Assistance Findings and Questioned Costs*

There were no audit findings related to state financial assistance required to be reported by Rules of the Auditor General 10.654(1)(h)(4).

*Status of State Financial Assistance Prior Year Findings*

There were no prior year findings.



**INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT**

Board of Directors  
Good Wheels, Inc.  
10075 Bavaria Road S.E.  
Fort Myers, Florida 33913

In planning and performing our audit of the financial statements of Good Wheels, Inc. ("Good Wheels") (a not-for-profit Florida corporation), for the year ended June 30, 2013, we considered Good Wheels' internal controls as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements. In connection with our audit, we are submitting the following comments and recommendations in accordance with Chapter 10.650 "Rules of the Auditor General - State Single Audit, Nonprofit and For-Profit Organizations" (Revised September 30, 2012) Rule 10.656(3)(e) and Section 215.97(9)(f), of the Florida Statutes. Although our audit was not designed to provide assurance on the internal controls, we noted certain matters involving the internal controls and their operations and are submitting for your consideration, related recommendations designed to help Good Wheels make improvements and achieve operational efficiencies. Our comments reflect our desire to be of continuing assistance to Good Wheels, Inc.

**PRIOR YEAR COMMENTS THAT CONTINUE TO APPLY:**

Note: The prior year comments not repeated below appear to have been resolved. Prior year comments listed below continue to apply in the current year. Each prior year comment listed has a current year addendum to indicate the current year status of the comment.

2008-1. Unrestricted Net Assets Should be Increased

We noted that the unrestricted net asset balances currently are substantially comprised of the net book value of the entity's fixed assets and are, therefore, not liquid or spendable. We encourage the Board to continue to explore means of earning unrestricted revenue.

FY 09 Year Addendum:

We understand that Good Wheels is exploring and implementing programs to increase unrestricted net assets. Although the entity incurred an increase in unrestricted net assets during the year ended June 30, 2009, we continue to recommend the Board focus its efforts on this issue, primarily during the continued decline of the local economy.

FY 10 Year Addendum:

We understand that Good Wheels is exploring and implementing programs to increase unrestricted net assets. We also understand the entity incurred an increase in unrestricted net assets during the year ended June 30, 2010, although it was substantially comprised of additions to fixed assets. We further noted Good Wheels unrestricted cash balances declined by approximately \$160,000. We continue to recommend the Board focus its efforts on this issue, primarily during the continued decline of the local economy.

FY 11 Year Addendum:

We continue to recommend that Good Wheels work to increase the unrestricted net assets.

FY 12 Year Addendum:

We continue to recommend that Good Wheels work to increase the unrestricted net assets.

FY 13 Year Addendum:

We continue to recommend that Good Wheels work to increase the unrestricted net assets.

**CURRENT YEAR COMMENTS:**

No Financially Significant Comments Noted.

We would like to express our appreciation for the opportunity to serve and assist Good Wheels, Inc. Your staff and management were very helpful and assisted us well. We would be pleased to further discuss and assist in the implementation of these recommendations.

This report is intended solely for the information and use of the Board, the Finance Committee, management, Federal and State awarding agencies, pass-through entities, the Auditor General for the State of Florida and other Federal and State audit agencies. This report is not intended to be, and should not be, used by anyone other than these specified parties.

*Tuscan & Company, P.A.*

TUSCAN & COMPANY, P.A.  
Fort Myers, Florida  
August 30, 2013

**EXHIBIT**

# Good Wheels

Transportation for the Disabled and Disadvantaged

10075 Bavaria Road, S. E. • Fort Myers, Florida 33913

September 17, 2013

Thomas F. Nolan  
CEO/CFO

Board of Directors

Joni Logan  
Chairman of the Board

Glee Duff  
Vice Chairman

Gen. James L. Dozier  
Secretary

Fred Atkins  
Treasurer

Rosalie Berlin

Janet Getchel

Viva Robinson

Steve Shimp

Lucinda Tevlin

Alan Katzman  
Emeritus

Office of the Auditor General  
Claude Pepper Building, Room 401  
111 West Madison Street  
Tallahassee, FL 32399-1450

To Whom It May Concern:

RE: FY 12-13 YEAR AUDIT - MANAGEMENT RESPONSE TO AUDITOR  
COMMENTS

Prior Year Comment:

1. Unrestricted Net Assets Should be Increased

Good Wheels provides a personalized community transportation service for the disabled and disadvantaged, elderly and medically/economically challenged. The economic malaise continues to put unprecedented demands on the organization's resources.

The system, networks, structure, and particularly the personnel of the company have responded in an extraordinary fashion to meet these needs. Good Wheels operations have been handling the tasks at hand.

As to ideal improvements in financial profile, that will follow improvement in the economic environment and is clearly secondary to our primary mission and charter.

Sincerely,



Thomas F. Nolan  
CEO/CFO



Partner Agency

