

**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, 2013

And Reports of Independent Auditor

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Report of Independent Auditor

To the Board of Directors
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 West Central Florida Area Agency on Aging, Inc. and Affiliate (the "Agency") which comprise the consolidated statement of financial position as of December 31, 2013, 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.

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 consolidated 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 as of December 31, 2013, 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.

OTHER MATTERS

Report on Summarized Comparative Information

We have previously audited the Agency's 2012 consolidated financial statements, and our report dated July 9, 2013, expressed an unmodified opinion on those consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Supplementary 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 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 our report dated August 5, 2014, 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
August 5, 2014

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

DECEMBER 31, 2013
(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2012)

	<u>2013</u>	<u>2012</u>
ASSETS		
Current assets		
Cash	\$ 175,415	\$ 1,033,763
Due from grantors	3,488,219	2,528,035
Accounts receivable - other	2,922	603
Prepaid expenses and other assets	102,092	89,626
Total current assets	<u>3,768,648</u>	<u>3,652,027</u>
Capital assets, net	<u>43,374</u>	<u>57,082</u>
Total assets	<u>\$ 3,812,022</u>	<u>\$ 3,709,109</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 921,672	\$ 558,492
Refundable advances	86,676	87,885
Due to subrecipients	2,322,343	2,652,022
Lines of credit	78,610	-
Total liabilities	<u>3,409,301</u>	<u>3,298,399</u>
Net assets		
Unrestricted net assets	<u>402,721</u>	<u>410,710</u>
Total net assets	<u>402,721</u>	<u>410,710</u>
Total liabilities and net assets	<u>\$ 3,812,022</u>	<u>\$ 3,709,109</u>

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

YEAR ENDED DECEMBER 31, 2013
(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2012)

	<u>2013</u>	<u>2012</u>
Support and revenues		
Public support - grants	\$ 18,385,455	\$ 18,652,617
Donated services	3,235	2,119
Other income	14,054	38,146
Total support and revenues	<u>18,402,744</u>	<u>18,692,882</u>
Expenses		
Program services:		
Older Americans Act	7,850,859	8,352,363
Nutrition Services Incentive Program	893,458	993,742
Aging Resource Center	337,356	258,935
Community Care for the Elderly	4,161,958	4,610,326
Home Care for the Elderly	658,640	650,472
Alzheimer's Disease Initiative	821,800	725,522
EHEAP	446,960	681,184
SHINE	195,114	144,564
Medicaid Waiver Specialist	140,099	138,756
Local Service Provider	129,349	96,935
Other DOEA Programs	9,301	44,163
Other Non-DOEA Programs	1,614,245	771,178
Total program services	<u>17,259,139</u>	<u>17,468,140</u>
Supporting services	1,151,594	1,287,200
Total expenses	<u>18,410,733</u>	<u>18,755,340</u>
Decrease in net assets	(7,989)	(62,458)
Net assets at beginning of year	<u>410,710</u>	<u>473,168</u>
Net assets at end of year	<u>\$ 402,721</u>	<u>\$ 410,710</u>

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

YEAR ENDED DECEMBER 31, 2013
(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2012)

	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	\$ 574,228	\$ -	\$ 187,654	\$ 77,614	\$ -	\$ -	\$ -	\$ 76,948	\$ 90,758
Payroll taxes and benefits	127,609	-	47,580	16,747	-	-	-	18,716	23,752
Payroll leasing	5,970	-	2,082	707	-	-	-	727	953
Travel expense	11,825	-	2,166	3	-	-	-	14,018	116
Equipment rental	681	-	161	-	-	-	-	-	255
Occupancy costs	40,826	-	38,447	15,213	-	-	-	14,826	12,508
Printing and supplies	12,688	-	3,498	1,293	-	-	-	7,789	2,949
Communications and postage	15,656	-	5,056	2,022	-	-	-	8,589	2,760
Equipment	10,098	-	22,058	622	-	-	-	27,691	1,804
Sub-contractors:									
Transfers to subrecipients	7,011,116	893,458	-	4,044,690	658,640	821,800	446,960	-	-
Other sub-contractors	10,641	-	-	-	-	-	-	-	-
Program supplies	4,688	-	-	-	-	-	-	950	-
Insurance	1,437	-	694	654	-	-	-	500	477
Advertising	2,741	-	2,564	243	-	-	-	10,229	244
Professional fees	825	-	3,176	1,596	-	-	-	-	1,330
Other expenses	19,830	-	22,220	554	-	-	-	14,131	2,193
Depreciation	-	-	-	-	-	-	-	-	-
Total expenses before allocation	7,850,859	893,458	337,356	4,161,958	658,640	821,800	446,960	195,114	140,099
Allocation of management and general	505,122	57,485	21,705	267,779	42,377	52,874	28,757	12,554	9,014
Total expenses	<u>\$ 8,355,981</u>	<u>\$ 950,943</u>	<u>\$ 359,061</u>	<u>\$ 4,429,737</u>	<u>\$ 701,017</u>	<u>\$ 874,674</u>	<u>\$ 475,717</u>	<u>\$ 207,668</u>	<u>\$ 149,113</u>

(continued)

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

YEAR ENDED DECEMBER 31, 2013
(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2012)

	Program Services			Supporting Services				Total 2013	Total 2012
	Local Service Provider	Other DOEA Programs	Other Non- DOEA Programs	Total Program Services	Board Operations	Management and General	Total Supporting Services		
Expenses	\$ -	\$ 8,102	\$ 238,203	\$ 1,253,507	\$ (692)	\$ 696,807	\$ 696,115	\$ 1,949,622	\$ 1,717,115
Salaries	-	868	51,724	286,996	(3,088)	176,665	173,577	460,573	381,720
Payroll taxes and benefits	-	125	2,556	13,120	74	4,826	4,900	18,020	16,519
Payroll leasing	-	-	29,784	57,912	4,167	7,029	11,196	69,108	56,757
Travel expense	-	-	319	1,416	291	14,134	14,425	15,841	1,947
Equipment rental	-	-	34,848	156,668	(10,652)	92,891	82,239	238,907	249,233
Occupancy costs	-	80	3,601	31,898	822	6,894	7,716	39,614	48,755
Printing and supplies	-	126	5,872	40,081	710	15,783	16,493	56,574	55,675
Communications and postage	-	-	11,399	73,672	165	6,268	6,433	80,105	50,192
Equipment	-	-	-	-	-	-	-	-	-
Sub-contractors:									
Transfers to subrecipients	129,349	-	1,110,847	15,116,860	-	-	-	15,116,860	15,838,642
Other sub-contractors	-	-	-	10,641	-	-	-	10,641	32,464
Program supplies	-	-	1,796	7,434	605	-	605	8,039	4,594
Insurance	-	-	64	3,826	4,649	11,325	15,974	19,800	18,934
Advertising	-	-	2,366	18,387	1,026	1,821	2,847	21,234	25,717
Professional fees	-	-	3,324	10,251	6,694	48,733	55,427	65,678	47,752
Other expenses	-	-	117,542	176,470	12,370	27,273	39,643	216,113	171,069
Depreciation	-	-	-	-	24,004	-	24,004	24,004	38,255
Total expenses before allocation	129,349	9,301	1,614,245	17,259,139	41,145	1,110,449	1,151,594	18,410,733	18,755,340
Allocation of management and general	8,322	598	103,860	1,110,449	-	(1,110,449)	(1,110,449)	-	-
Total expenses	<u>\$ 137,671</u>	<u>\$ 9,899</u>	<u>\$ 1,718,105</u>	<u>\$ 18,369,588</u>	<u>\$ 41,145</u>	<u>\$ -</u>	<u>\$ 41,145</u>	<u>\$ 18,410,733</u>	<u>\$ 18,755,340</u>

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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, 2013
(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2012)

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Decrease in net assets	\$ (7,989)	\$ (62,458)
Adjustments to reconcile decrease in net assets to net cash flows provided by (used in) operating activities:		
Depreciation	24,004	38,255
(Increase) decrease in:		
Due from grantors	(960,184)	628,875
Accounts receivable - other	(2,319)	3,536
Prepaid expenses and other assets	(12,466)	13,294
Increase (decrease) in:		
Accounts payable and accrued expenses	363,180	138,975
Refundable advances	(1,209)	(1,063)
Due to subrecipients	(329,679)	94,054
Net cash flows provided by (used in) operating activities	<u>(926,662)</u>	<u>853,468</u>
Cash flows from investing activities		
Purchase of furniture and equipment	<u>(10,296)</u>	<u>(32,033)</u>
Net cash flows used in investing activities	<u>(10,296)</u>	<u>(32,033)</u>
Cash flows from financing activities		
Borrowings from line of credit	<u>78,610</u>	<u>-</u>
Net cash flows provided by financing activities	<u>78,610</u>	<u>-</u>
Net increase (decrease) in cash	(858,348)	821,435
Cash at beginning of year	<u>1,033,763</u>	<u>212,328</u>
Cash at end of year	<u>\$ 175,415</u>	<u>\$ 1,033,763</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 7,166</u>	<u>\$ -</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

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 ("GAAP"). Net assets, support 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, 2013. 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 2013, the Agency disposed of approximately \$48,000 of 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, 2013.

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, 2013

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 GAAP, 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. In-kind contributions are recorded as "Donated services" on the statement of activities for the year ended December 31, 2013.

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. The estimated fair value of the volunteers' time is approximately \$199,000.

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.

Management has evaluated the effect of the guidance provided by GAAP on *Accounting for Uncertainty in Income Taxes* and has determined that the Agency had no uncertain income tax position that could have a significant effect on the consolidated financial statements for the year ended December 31, 2013. The Agency's federal income tax returns subsequent to 2010 are subject to examination by the Internal Revenue Service generally for a period of three years after the date the federal income tax returns were filed.

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 GAAP 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 2012 – The consolidated financial statements include certain prior-year summarized comparative information in total but not by functional expense. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Agency's consolidated financial statements for the year ended December 31, 2012, 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, 2013, was \$21,234.

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

DECEMBER 31, 2013

Note 2 – Concentrations

The Agency places its cash on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts. The Agency from time to time may have amounts on deposit in excess of the insured limits. As of December 31, 2013, the Agency had cash balances of approximately \$29,000 which exceeded these insured amounts.

The Agency's activities 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, 2013, is as follows:

Furniture and equipment	\$	361,147
Leasehold improvements		77,438
Less accumulated depreciation		(395,211)
	\$	<u>43,374</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 \$1,308 to \$157,559. Total rent expense for the year ended December 31, 2013, was \$209,396.

The total minimum future lease commitments at December 31, 2013, are due as follows:

2014	\$	168,695
2015		18,660
2016		15,321
2017		545
	\$	<u>203,221</u>

Note 5 – Lines of credit

At December 31, 2013, the Agency had an unused line of credit of \$150,000 with Bank of Tampa that matures on December 4, 2014.

During 2013, the Agency obtained another line of credit of \$250,000 with the same bank payable on demand, with variable interest rate which was 4.00% at December 31, 2013. This line of credit matures on February 21, 2015. Amounts outstanding under this line of credit were \$78,610 at December 31, 2013.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

Note 6 – Employee benefit plan

WCFAAA 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 WCFAAA 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. WCFAAA's contribution for the year ended December 31, 2013, was \$81,799.

Note 7 – Contingencies

Expenditures incurred by the Agency and subrecipients are subject to audit and possible disallowances by the granting 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.

Note 8 – Subsequent event

The Agency has evaluated subsequent events through August 5, 2014, in connection with the preparation of these consolidated financial statements, which is the date the consolidated financial statements were available to be issued.

Effective March 14, 2014, the name of the Agency was changed from West Central Florida Area Agency on Aging, Inc. to Senior Connection Center, Inc.

SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED DECEMBER 31, 2013

FEDERAL AWARDS:	CFDA Number	Contract Grant 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	10.580			
Supplemental Nutrition Assistance Program, 07/01/2012 - 08/31/2013		PO#AA67AB4	\$ 9,302	\$ -
Total U.S. Department of Agriculture			<u>9,302</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, 01/01/2013 - 12/31/2013	93.043	FD013	115,939	-
National Family Caregiver Support - Title IIIE, 01/01/2013 - 12/31/2013	93.052	FA013	946,589	704,608
Special Programs for the Aging - Title VII, 01/01/2013 - 12/31/2013	93.041	F7013	21,267	-
Aging Cluster				
Special Programs for the Aging - Title III Admin, 01/01/2013 - 12/31/2013	93.044-045	FA013	887,470	-
Special Programs for the Aging - Title IIIB, 01/01/2013 - 12/31/2013	93.044	FA013	2,833,469	2,370,411
Special Programs for the Aging - Title IIIC, 01/01/2013 - 12/31/2013	93.045	FA013	3,936,095	3,936,095
Nutrition Services Incentive Program, 10/01/2012 - 09/30/2013	93.053	FU013	599,061	599,061
Nutrition Services Incentive Program, 10/01/2013 - 09/30/2014	93.053	FU014	294,397	294,397
Total Aging Cluster			<u>8,550,492</u>	<u>7,199,964</u>
Total Administration on Aging			<u>9,634,287</u>	<u>7,904,572</u>
Low-Income Home Energy Assistance Program				
Low-Income Home Energy Assistance, 04/01/2012 - 03/31/2013	93.568	FP012	72,333	64,217
Low-Income Home Energy Assistance, 04/01/2013 - 03/31/2014		FP013	404,343	382,744
Total Low-Income Home Energy Assistance Program			<u>476,676</u>	<u>446,961</u>
Centers for Medicare and Medicaid Services				
Medical Assistance Program				
Medical Assistance Program, 01/01/2013 - 06/30/2013	93.778	FW113	33,933	-
Medical Assistance Program, 07/01/2013 - 06/30/2014		FW014	36,116	-
Medical Assistance Program, 07/01/2012 - 06/30/2013		FX012	72,092	-
Medical Assistance Program, 07/01/2013 - 06/30/2014		FX013	97,980	-
Total Medical Assistance Program			<u>240,121</u>	<u>-</u>
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations Program				
Centers for Medicare and Medicaid Services Research, 04/01/2012 - 03/31/2013	93.779	FN012	74,635	-
Centers for Medicare and Medicaid Services Research, 04/01/2013 - 03/31/2014		FN013	121,829	-
Total Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations Program			<u>196,464</u>	<u>-</u>
Total Centers for Medicare and Medicaid Services			<u>436,585</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 10,556,850</u>	<u>\$ 8,351,533</u>

(continued)

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

FOR THE YEAR ENDED DECEMBER 31, 2013

STATE FINANCIAL ASSISTANCE:	CSFA Number	Contract Grant Number	State Expenditures	Transfers to Subrecipients
<i>State of Florida - Department of Elder Affairs</i>				
Home Care for the Elderly Program				
Home Care for the Elderly, 07/01/2012 - 06/30/2013	65.001	FH012	\$ 417,061	\$ 375,014
Home Care for the Elderly, 07/01/2013 - 06/30/2014		FH012	<u>321,234</u>	<u>283,412</u>
Total Home Care for the Elderly Program			<u>738,295</u>	<u>658,426</u>
Alzheimer Model Day Care Program				
Alzheimer Model Day Care, 07/01/2012 - 06/30/2013	65.002	FZ012	57,075	57,075
Alzheimer Model Day Care, 07/01/2013 - 06/30/2014		FZ012	<u>30,391</u>	<u>30,391</u>
Total Alzheimer Model Day Care Program			<u>87,466</u>	<u>87,466</u>
Alzheimer's Respite Services Program				
Alzheimer's Respite Services, 07/01/2012 - 06/30/2013	65.004	FZ012	370,835	370,835
Alzheimer's Respite Services, 07/01/2013 - 06/30/2014		FZ012	<u>363,500</u>	<u>363,500</u>
Total Alzheimer's Respite Services Program			<u>734,335</u>	<u>734,335</u>
Local Services Program				
Local Services Program, 07/01/2012 - 06/30/2013	65.009	FL012	69,049	67,090
Local Services Program, 07/01/2013 - 06/30/2014		FL013	<u>64,126</u>	<u>62,259</u>
Total Local Services Program			<u>133,175</u>	<u>129,349</u>
Community Care for the Elderly Program				
Community Care for the Elderly, 07/01/2012 - 06/30/2013	65.010	FC012	2,305,256	2,201,484
Community Care for the Elderly, 07/01/2013 - 06/30/2014		FC012	<u>1,928,234</u>	<u>1,843,206</u>
Total Community Care for the Elderly Program			<u>4,233,490</u>	<u>4,044,690</u>
Total Expenditures of State Financial Assistance			<u>\$ 5,926,761</u>	<u>\$ 5,654,266</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, 2013

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 GAAP 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. Management believes that, if audited, any adjustment for disallowed expenses would be favorably resolved.

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***

To the 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, 2013, 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 August 5, 2014.

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.

Cherry Bekant LLP

Tampa, Florida
August 5, 2014

Report of Independent Auditor on Compliance for Each Major Federal Program and State Financial Assistance 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

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

Report on Compliance for Each Major Federal Program and State Financial Assistance 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, 2013. 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 each of 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 each of 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, 2013.

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.



Tampa, Florida
August 5, 2014

WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC. AND AFFILIATE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2013

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 or Chapter 10.650?

_____ yes x no

Identification of the major federal programs:

Name of Federal Program or Cluster

CFDA Number(s)

Department of Health and Human Services

Aging Cluster:

Special Programs for the Aging - Title IIIB	93.044
Special Programs for the Aging - Title IIIC	93.045
Nutrition Services Incentive Program	93.053

Low-Income Home Energy Assistance Program	93.568
Medical Assistance Program	93.778

**WEST CENTRAL FLORIDA AREA AGENCY ON AGING, INC. AND AFFILIATE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

FOR THE YEAR ENDED DECEMBER 31, 2013

Part I – Summary of Audit Results (continued)

Identification of the major state financial assistance projects:

<u>Name of State Project</u>	<u>CSFA Number(s)</u>
Department of Elder Affairs	
Home Care for the Elderly Program	65.001
Community Care for the Elderly Program	65.010

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

Federal	\$316,706
State	\$300,000

Auditee qualified as low-risk auditee? x yes no

Part II – Financial Statement Findings

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

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

Part III – Findings and Questioned Costs – Major Federal Awards

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

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

Part IV – Findings and Questioned Costs – Major State Financial Assistance Projects

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

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

Part V – Other Matters

No management letter is required in accordance with Chapter 10.650, Rules of the Auditor General.

A summary schedule of prior audit findings is not necessary since there were no prior audit findings.