

**WVSU METRO AREA AGENCY ON AGING, INC.
(A NON-PROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS WITH
ADDITIONAL INFORMATION**

YEAR ENDED SEPTEMBER 30, 2012

WITH INDEPENDENT AUDITORS' REPORT

**WVSU METRO AREA AGENCY ON AGING, INC.
 FINANCIAL STATEMENTS WITH ADDITIONAL INFORMATION
 FOR THE YEAR ENDED SEPTEMBER 30, 2012
 TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor's Report	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 10
ADDITIONAL INFORMATION	
Schedule of Expenditures of Federal Awards	11
Note to Schedule of Expenditures of Federal Awards	12
Schedule of State Revenue and Expenses – III – B	13
Schedule of State Revenue and Expenses – III – C	14
Schedule of State Revenue and Expenses – III – D	15
Schedule of State Revenue and Expenses – In-Home Services	16
Schedule of State Revenue and Expenses – LIFE	17
Schedule of State Revenue and Expenses – ADRC	18
INDEPENDENT AUDITOR'S REPORTS ON COMPLIANCE AND INTERNAL CONTROL	
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 <i>Government Auditing Standards</i>	19 - 20
Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	21 - 22
AUDIT FINDINGS	
Summary Schedule of Prior Audit Findings	23
Schedule of Findings and Questioned Costs	24 – 25

INDEPENDENT AUDITOR'S REPORT

**Board of Directors
WVSU Metro Area Agency on Aging, Inc.
Institute, West Virginia**

We have audited the accompanying statement of financial position of WVSU Metro Area Agency on Aging, Inc. (a non-profit organization) as of September 30, 2012, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WVSU Metro Area Agency on Aging, Inc. as of September 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2013, on our consideration of WVSU Metro Area Agency on Aging, 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* and important for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. The accompanying schedule of State Revenue and Expenses are presented for purposes of additional analysis, as required by the State of West Virginia, and is 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the Board of Directors and management of WVSU Metro Area Agency on Aging, Inc. and for the filing with the West Virginia Bureau of Senior Services and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Franer, Wright & Paterno".

**Huntington, West Virginia
June 27, 2013**

**WVSU METRO AREA AGENCY ON AGING, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2012**

ASSETS

CURRENT ASSETS	
Cash	\$ 327,083
Grants receivable	<u>1,013,535</u>
TOTAL CURRENT ASSETS	<u>1,340,618</u>
FIXED ASSETS	
Computer equipment	83,026
Office equipment	71,579
Leasehold improvement	5,158
Less: Accumulated depreciation	<u>(137,381)</u>
NET FIXED ASSETS	<u>22,382</u>
TOTAL ASSETS	<u>\$ 1,363,000</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	\$ 11,343
Grants payable	777,731
Deferred Revenue	235,659
Accrued annual leave	9,793
Payroll liabilities	<u>20,178</u>
TOTAL CURRENT LIABILITIES	<u>1,054,704</u>
NET ASSETS	
Unrestricted:	
Designated for daily program operations	<u>308,296</u>
TOTAL NET ASSETS	<u>308,296</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,363,000</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**WVSU METRO AREA AGENCY ON AGING, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

CHANGES IN UNRESTRICTED NET ASSETS:

Revenues:	
Grant revenues - federal	\$ 3,013,058
Grant revenues - state	7,649,520
Other income	<u>-0-</u>
Total revenues	<u>10,662,578</u>
Expenses:	
Subgrantee expenses:	
Title III-B Senior Citizens	1,111,570
Title III-C Nutrition	2,471,846
Title III-C NSIP	466,355
Title III-D Medication Management/Preventive Health	59,945
Title III-E Family Caregiver	306,609
Direct Services Award - LIFE	2,267,481
Health Benefits/SHIP	155,280
Elder Abuse	7,847
Low Income Energy Assistance Program	17,960
In-Home Services - Lighthouse/Alzheimer's Respite/Transportation	3,255,683
Aging and Disability Resource Center (ADRC)	<u>209,404</u>
Total subgrantee expenses	10,329,980
Administrative	<u>248,621</u>
Total expenses	<u>10,578,601</u>
Increase in unrestricted net assets	83,977
NET ASSETS AT BEGINNING OF YEAR	<u>224,319</u>
NET ASSETS AT END OF YEAR	<u>\$ 308,296</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**WVSU METRO AREA AGENCY ON AGING, INC.,
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase in net assets	\$ 83,977
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation expense	12,499
(Increase) decrease in grants receivable	(591,153)
Increase (decrease) in accounts payable	(881)
Increase (decrease) in grants payable	111,956
Increase (decrease) in deferred revenue	235,659
Increase (decrease) in payroll liabilities	<u>(12)</u>
Net cash (used in) operating activities	<u>(147,955)</u>
NET DECREASE IN CASH	(147,955)
CASH AT BEGINNING OF YEAR	<u>475,038</u>
CASH AT END OF YEAR	<u>\$ 327,083</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**WVSU METRO AREA AGENCY ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

WVSU Metro Area Agency on Aging, Inc., (the Organization), a non-profit organization, is located in Dunbar, West Virginia and was established in 1991 as a non-profit, non-stock corporation under the laws of the State of West Virginia. The primary purpose of the Organization is to establish, coordinate and administer an Area Agency on Aging, as defined by the Older Americans Act of 1965, as amended in the Region II Planning and Service Area (PSA) designated by the West Virginia Bureau of Senior Services. The Organization through the establishment of a comprehensive service delivery system, provides a range of health, education/training and social services to the older adults in Southwestern West Virginia. Funding for the Organization is predominantly federal and state grants which are passed through to the eleven local agencies for administering the various programs. The Organization provides funding to the local agencies for the following programs: Title III-B, Title III-C, Title III-D, Title III-E, SHIP, In-Home, Elder Abuse, NSIP, ADRC, and Direct Services Award - LIFE.

The overall objective of the Title III Program is to develop a system of coordinated and comprehensive services for older persons - services which will secure and maintain maximum independence and dignity in a home environment for older persons capable of self-care and also remove individual and social barriers to economic and personal independence for older persons.

The objectives of the programs are as follows: Title III-B program is to provide the elderly with social, outreach, transportation, information and referral services, as well as health, welfare and nutrition education and counseling.

Title III-C is a nutrition program designed to provide older persons with low cost nutritious meals served primarily in a congregate setting. The program also furnishes delivered meals to homebound elderly.

Title III-D is a program designed to provide elderly citizens financial assistance with respect to required medications and health prevention.

Title III-E is a program that provides financial assistance and educational resources to family caregivers of the elderly.

The LIFE program is a state funded program designed to provide additional outreach services to elderly citizens.

Administrative costs are obtained through federal and state grants costs. These costs include rent, administrative staff salaries and daily operation of the administration's office.

WVSU METRO AREA AGENCY ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Basis

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Whereby revenues are recognized when earned and expenses when incurred.

Property and Equipment

Property and equipment with a cost in excess of \$5,000 and a useful life in excess of one year is capitalized at cost. Those items with a cost less than \$5,000 are expensed in the year of acquisition. Depreciation is computed on the straight-line basis over the estimated useful life of the assets.

Accounts Receivable and Concentration of Credit Risk

The Organization provides grants to local area agencies for various services to the elderly. The Organization bills the funding sources in accordance with contractual agreements without requiring collateral or any other security. Accounts and grants receivable have been adjusted for all known uncollectible accounts. An allowance for bad debts has not been set up since the amount is not considered material.

Compensated Absences

The Organization accrues for compensated absences. The cost of such absences are recognized in the period earned.

Temporarily Restricted Net Assets

The Organization reports grants and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 statements of activities as net assets released from restrictions.

Income Taxes

WVSU Metro Area Agency on Aging, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is classified by the Internal Revenue Service as an other than a private foundation. Generally, the Company is no longer subject to tax examinations for years beginning before October 1, 2009.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the FASB ASC 958-205-05, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-205-05, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the Organization is required to present a statement of cash flows. At September 30, 2012, the Organization only had unrestricted net assets and did not have any permanently or temporarily restricted net assets.

**WVSU METRO AREA AGENCY ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of cash flows the Organization considers all highly liquid investment instruments purchased with an original maturity of three months or less to be cash equivalents. There were no cash equivalents as of September 30, 2012.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Deferred Revenue

Deferred revenue represents unexpended grant award funds received as of September 30, 2012. Deferred revenues are funds owed to funding sources or approved for use in ongoing future programs. The Organization had deferred revenue in the amount of \$235,659 as of September 30, 2012.

NOTE 2 - SUMMARY OF GRANT AND REIMBURSABLE SERVICE AGREEMENTS

The following summarizes grant awards and reimbursable service agreements which were active during the year October 1, 2011 through September 30, 2012:

Description	Funding Period	Amount of Award or Reimbursement
Department of Health and Human Services		
West Virginia Bureau of Senior Services:		
Title III, Part B - Grants for Supportive Services and Senior Services	10/01/11 - 09/30/12	\$ 1,417,169
Title III, Part C - Nutrition Services	10/01/11 - 09/30/12	2,520,950
Title III, Part D - Preventive Health/Medical Management	10/01/11 - 09/30/12	56,504
Title III, Part E - Family Caregiver	10/01/11 - 09/30/12	328,275
Title VII, Chapter 3 - Program for Prevention of Elder Abuse, Neglect and Exploitation	10/01/11 - 09/30/12	11,529
Health Benefits/SHIP	04/01/11 - 03/31/12	174,926
Health Benefits/SHIP	04/01/12 - 03/31/13	97,340
Aging and Disability Resource Center	07/01/11 - 06/30/12	232,500
Aging and Disability Resource Center	07/01/12 - 06/30/13	208,500

**WVSU METRO AREA AGENCY ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

**NOTE 2 - SUMMARY OF GRANT AND REIMBURSABLE SERVICE AGREEMENTS
(CONTINUED)**

West Virginia Department of Health and Human Services		
Bureau for Medical Services:		
Take Me Home, West Virginia, Money Follows the Person	07/01/12 - 12/31/12	467,473
Low Income Energy Assistance Program	10/01/11 - 06/30/12	8,500
Department of Agriculture		
West Virginia Bureau of Senior Services:		
Title III - C - NSIP	10/01/11 - 09/30/12	466,355
West Virginia Bureau of Senior Services		
Direct Services Award - LIFE	07/01/11 - 06/30/12	2,238,883
Direct Services Award - LIFE	07/01/12 - 06/30/13	2,231,544
In-Home Services - Lighthouse	07/01/11 - 06/30/12	3,084,462
In-Home Services - Lighthouse	07/01/12 - 06/30/13	3,084,461

NOTE 3 - OPERATING LEASE

Beginning September 1, 2011, the Organization entered into a three year operating lease for its administrative office, with a provision for two additional years. For the fiscal year ended September 30, 2012, total rental costs amounted to \$34,200 recorded in the accompanying financial statements in accordance with grant budgets.

The total future minimum rental payments are as follows:

<u>Year Ending December 31:</u>	
2013	\$ 39,600
2014	36,300
2015	-0-
2016	-0-
2017 and thereafter	<u>-0-</u>
Total minimum rental payments	\$ <u>75,900</u>

WVSU METRO AREA AGENCY ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 4 - CONCENTRATION OF CREDIT RISK - CASH

The Organization maintains cash balances in a checking account at a local bank. The account at the institution is insured by the Federal Deposit Insurance Corporation up to \$250,000. At various times throughout the year, the Organization had balances exceeding the FDIC insured limits. However, the financial institution has pledged securities to cover these excess deposits. At September 30, 2012, these securities, consisting of municipal bonds from various state governments, had a fair market value of \$626,436.

NOTE 5 - RELATED PARTY TRANSACTIONS

The Organization was established to work within and under the auspices of West Virginia State University. The Board Chair is required to be the President of the University, he then appoints the Vice-Chairperson and the Secretary/Treasurer whom are also required to be employees of the University. The balance of the Board is appointed by the respective entities within each county the Organization serves.

As stated above, the Board of Directors has a representative from each of the 11 counties to whom the Organization provides the grants for the pass-through awards. The counties include: Boone, Cabell, Jackson, Kanawha, Lincoln, Logan, Mason, Mingo, Putnam, Roane, and Wayne counties.

NOTE 6 - CONTINGENT LIABILITIES

The Organization's programs are generally funded from federal, state, and local sources, principal of which are programs of the U.S. Department of Health and Human Services and the U.S. Department of Agriculture. Federal and state grants received for specific purposes are subject to audit and review by grantor agencies. Such audits and reviews could result in requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grants. The amount, if any, of expenditures which may be disallowed by grantor agencies cannot be determined at this time, although management believes such amounts, if any, to be immaterial.

NOTE 7 - RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions; injuries to employees; employees' health and life; and natural disasters. The Organization manages these risks of loss through the purchase of various insurance policies.

NOTE 8 - SUBSEQUENT EVENTS

The date to which events occurring after September 30, 2012, the date of the most recent balance sheet, have been evaluated for possible adjustments to the financial statements or disclosure is June 27, 2013, which is the date on which the financial statements were available to be issued.

ADDITIONAL INFORMATION

**WVSU METRO AREA AGENCY ON AGING, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA #</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U. S. Department of Health and Human Services:			
Pass-through West Virginia Bureau of Senior Services			
Title III, Part B - Grants for Supportive Services and Senior Services	93.044	N/A	\$ 637,916
Title III, Part C - Nutrition Services	93.045	N/A	1,360,952
Title III, Part D - Medication Management/ Preventive Health	93.043	N/A	47,667
Title III, Part E - Family Caregiver	93.052	N/A	295,754
Title VII - Chapter 3 - Program for Prevention of Elder Abuse, Neglect and Exploitation	93.041	N/A	11,403
Health Benefits/SHIP	93.779	N/A	184,511
Pass-through State of West Virginia Department of Health and Human Resources			
Low Income Energy Assistance Program	93.568	N/A	<u>8,500</u>
Total - U. S. Department of Health and Human Services			<u>2,546,703</u>
U. S. Department of Agriculture:			
Pass-through West Virginia Bureau of Senior Services			
Nutrition Program for the Elderly (Commodities) NSIP	93.053	N/A	<u>466,355</u>
Total - U.S. Department of Agriculture			<u>466,355</u>
Total expenditures of federal awards			<u><u>\$ 3,013,058</u></u>

**WVSU METRO AREA AGENCY ON AGING, INC.
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of WVSU Metro Area Agency on Aging, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - SUB-RECIPIENT AWARDS

Of the federal expenditures presented in the schedule of federal awards, the WVSU Metro Area Agency on Aging, Inc. provided federal awards to sub-recipients as follows.

Program Title	CFDA Number	Amount Provided to Sub-recipients
Title IIIB - Senior Support	93.044	\$ 481,916
Title IIIC - Nutrition Services	93.045	1,360,952
Title IIID - Medication Management / Preventive Health	93.046	47,667
Title IIIE - Family Caregiver	93.052	295,754
Title VII - Ch 3 Elder Abuse Health Benefits/SHIP	93.779	155,280
Low Income Energy Assistance Program	93.568	8,500
Nutrition Support for the Elderly (Commodities) NSIP	93.053	<u>466,355</u>
TOTAL SUB-RECIPIENT AWARDS		<u>\$ 2,827,827</u>

**WVSU METRO AREA AGENCY ON AGING, INC.
 SCHEDULE OF STATE REVENUE AND EXPENSES – III-B
 FOR THE STATE GRANT AWARD YEAR ENDED JUNE 30, 2012**

	<u>III-B</u>	<u>ADMIN</u>
Revenue:		
State Grant Award	\$ <u>521,697</u>	\$ <u>54,671</u>
Expenses:		
State III-B, Region II Local Agency Expenditures	521,697	-0-
Metro Area Agency on Aging, Inc. Administrative Payroll Expenses	<u>-0-</u>	<u>54,671</u>
Total Expenses	<u>521,697</u>	<u>54,671</u>
Excess (deficit) of revenue over expenses	\$ <u>-0-</u>	\$ <u>-0-</u>

**WVSU METRO AREA AGENCY ON AGING, INC.
 SCHEDULE OF STATE REVENUE AND EXPENSES – III-C
 FOR THE STATE GRANT AWARD YEAR ENDED JUNE 30, 2012**

	<u>III-C1</u>	<u>III-C2</u>
Revenue:		
State Grant Award	\$ <u>66,719</u>	\$ <u>86,195</u>
Expenses:		
State III-C, Region II Local Agency Expenditures	<u>66,719</u>	<u>86,195</u>
Total Expenses	<u>66,719</u>	<u>86,195</u>
Excess (deficit) of revenue over expenses	\$ <u>-0-</u>	\$ <u>-0-</u>

**WVSU METRO AREA AGENCY ON AGING, INC.
SCHEDULE OF STATE REVENUE AND EXPENSES – III-D
FOR THE STATE GRANT AWARD YEAR ENDED JUNE 30, 2012**

Revenue:

State Grant Award	\$ <u>7,547</u>
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Expenses:

State III-D, Region II Local Agency	
Expenditures	<u>7,547</u>
Total Expenses	<u>7,547</u>

Excess (deficit) of revenue over expenses	\$ <u><u>-0-</u></u>
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**WVSU METRO AREA AGENCY ON AGING, INC.
SCHEDULE OF STATE REVENUE AND EXPENSES
IN-HOME SERVICES - LIGHTHOUSE
FOR THE STATE GRANT AWARD YEAR ENDED JUNE 30, 2012**

Revenue:

State Grant Award	\$ <u>2,998,453</u>
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Expenses:

State In-Home, Region II Local Agency Expenditures	<u>2,998,453</u>
Total Expenses	<u>2,998,453</u>

Excess (deficit) of revenue over expenses	\$ <u>-0-</u>
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**WVSU METRO AREA AGENCY ON AGING, INC.
 SCHEDULE OF STATE REVENUE AND EXPENSES – LIFE
 FOR THE STATE GRANT AWARD YEAR ENDED JUNE 30, 2012**

	<u>LIFE</u>	<u>ADMIN</u>
Revenue:		
State Grant Award	\$ <u>2,197,044</u>	\$ <u>25,000</u>
Expenses:		
State LIFE, Region II Local Agency Expenditures	2,197,044	-0-
Metro Area Agency on Aging, Inc. Administrative Payroll Expenses	<u>-0-</u>	<u>25,000</u>
Total Expenses	<u>2,197,044</u>	<u>25,000</u>
Excess (deficit) of revenue over expenses	<u>\$ -0-</u>	<u>\$ -0-</u>

**WVSU METRO AREA AGENCY ON AGING, INC.
SCHEDULE OF STATE REVENUE AND EXPENSES
AGING & DISABILITY RESOURCE CENTER
FOR THE STATE GRANT AWARD YEAR ENDED JUNE 30, 2012**

Revenue:

State Grant Award	\$ <u>232,500</u>
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Expenses:

Metro Area Agency on Aging ADRC Expenditures	<u>232,500</u>
Total Expenses	<u>232,500</u>

Excess (deficit) of revenue over expenses	\$ <u>-0-</u>
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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
WVSU Metro Area Agency on Aging, Inc.
Institute, West Virginia**

We have audited the financial statements of WVSU Metro Area Agency on Aging, Inc. (a non-profit organization), as of and for the year ended September 30, 2012, and have issued our report thereon dated June 27, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of WVSU Metro Area Agency on Aging, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered WVSU Metro Area Agency on Aging, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the WVSU Metro Area Agency on Aging, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether WVSU Metro Area Agency on Aging, 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*.

This report is intended solely for the information and use of management, Board of Directors, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Huntington, West Virginia
June 27, 2013

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

**Board of Directors
WVSU Metro Area Agency on Aging, Inc.
Institute, West Virginia**

Compliance

We have audited WVSU Metro Area Agency on Aging, Inc.'s (a non-profit organization) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of WVSU Metro Area Agency on Aging, Inc.'s major federal programs for the year ended September 30, 2012. WVSU Metro Area Agency on Aging, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of WVSU Metro Area Agency on Aging, Inc.'s management. Our responsibility is to express an opinion on WVSU Metro Area Agency on Aging, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about WVSU Metro Area Agency on Aging, 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 of WVSU Metro Area Agency on Aging, Inc.'s compliance with those requirements.

In our opinion, WVSU Metro Area Agency on Aging, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2012.

Internal Control Over Compliance

Management of WVSU Metro Area Agency on Aging, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered WVSU Metro Area Agency on Aging, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of WVSU Metro Area Agency on Aging, 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 federal program 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 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 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.

WVSU Metro Area Agency on Aging, Inc.'s response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit WVSU Metro Area Agency on Aging, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Huntington, West Virginia
June 27, 2013

AUDIT FINDINGS

**WVSU METRO AREA AGENCY ON AGING, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

B. FINDINGS – FINANCIAL STATEMENT AND PROGRAM FINDING

None

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

**WVSU METRO AREA AGENCY ON AGING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of WVSU Metro Area Agency on Aging, Inc., prepared in conformity with the accounting principles generally accepted in the United States of America.
2. No deficiencies related to the audit of the financial statements is reported in the "Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*."
3. No instances of noncompliance material to the financial statements of WVSU Metro Area Agency on Aging, Inc. were disclosed during the audit.
4. No deficiencies were disclosed during the audit of the major federal award program(s) is reported in the "Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award program(s) for WVSU Metro Area Agency on Aging, Inc. expresses an unqualified opinion.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in Part C of this schedule.
7. The program(s) tested as major program(s) include:

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Agency Pass-through Number</u>
U.S. Department of Health and Human Services		
Pass-through from Bureau of Senior Services		
Title III - B: Senior Citizens	93.044	N/A
Title III - C: Nutrition	93.045	N/A
Nutrition Services Incentive Program	93.053	N/A

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. WVSU Metro Area Agency on Aging, Inc. qualified as a high-risk auditee due to the requirements within OMB Circular A-133 and the Organization having audit findings within the last two fiscal years.

**WVSU METRO AREA AGENCY ON AGING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

B. FINDINGS – FINANCIAL STATEMENT AND PROGRAM FINDING

None

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None