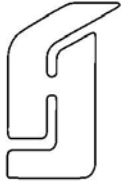


**COMMUNITY AGING AND RETIREMENT SERVICES, INC.**

Hudson, Florida

Statements of Financial Position at December 31, 2017 and 2016 and  
Statements of Activities, Cash Flows and Functional Expenses  
for the Years Then Ended  
and Supplementary Information for 2017

(Together with Independent Auditors' Report)



**Unmodified Opinion on the Financial Statements and  
Supplementary Schedules**

**Independent Auditors' Report**

The Board of Directors  
Community Aging and Retirement Services, Inc.  
Hudson, Florida:

**Report on the Financial Statements**

We have audited the accompanying financial statements of Community Aging and Retirement Services, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, cash flows and functional expenses 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.

**Auditors' 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 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 the Organization as of December 31, 2017 and 2016, 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**

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 and state financial assistance for 2017 is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.650, *Rules of the Auditor General*, and is not a required part of the basic financial statements. In addition, the accompanying schedule of functional expenses as required by Department of Elder Affairs (DOEA) for 2017 is presented for purposes of additional analysis and is not a required part of the basic 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. Such 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 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.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2018 on our consideration of the Organization'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 solely 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 effectiveness of the Organization's 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 Organization's internal control over financial reporting and compliance.

*Hacker, Johnson & Smith PA*

HACKER, JOHNSON & SMITH PA  
Tampa, Florida  
May 17, 2018

**COMMUNITY AGING AND RETIREMENT SERVICES, INC.**

**Statements of Financial Position**

	<u>December 31,</u>	
	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Current assets:		
Cash	\$ 506,964	110,449
Beneficial interest in assets held by Community Foundation	99,962	91,344
Accounts receivable, net of allowance of \$8,052 and \$6,626	163,139	149,690
Unconditional promises to give	1,925,234	1,513,430
Prepaid assets and deposits	<u>10,690</u>	<u>23,723</u>
Total current assets	2,705,989	1,888,636
Property, net	<u>1,908,040</u>	<u>2,008,979</u>
Total assets	\$ <u>4,614,029</u>	<u>3,897,615</u>
 <b>Liabilities and Net Assets</b>		
Current liabilities:		
Current portion of notes payable	27,370	625,992
Lines of credit	244,933	-
Accounts payable	742,474	398,789
Accrued expenses and other liabilities	<u>220,335</u>	<u>216,640</u>
Total current liabilities	1,235,112	1,241,421
Notes payable, noncurrent portion	<u>792,522</u>	<u>316,116</u>
Total liabilities	<u>2,027,634</u>	<u>1,557,537</u>
Commitments (Note 5)		
Net assets (deficit):		
Unrestricted:		
Property	(160,423)	(120,074)
Other	<u>(209,025)</u>	<u>(216,706)</u>
Total unrestricted	<u>(369,448)</u>	<u>(336,780)</u>
Temporarily restricted:		
Grants and contracts	1,707,268	1,394,909
Property	<u>1,248,575</u>	<u>1,281,949</u>
Total temporarily restricted	<u>2,955,843</u>	<u>2,676,858</u>
Total net assets	<u>2,586,395</u>	<u>2,340,078</u>
Total liabilities and net assets	\$ <u>4,614,029</u>	<u>3,897,615</u>

See accompanying Notes to Financial Statements.

**COMMUNITY AGING AND RETIREMENT SERVICES, INC.**

**Statement of Activities**

**Year Ended December 31, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and Support:			
Grants and contracts	\$ 2,940,545	1,659,353	4,599,898
Medicare	357,022	-	357,022
Fund raising and donations	265,553	-	265,553
Centers activities	214,867	-	214,867
Local cash match	31,566	-	31,566
Assessed fees	356,744	-	356,744
Interest and other	236,213	-	236,213
Net assets released from restrictions due to satisfaction of program and donor restrictions	<u>1,380,368</u>	<u>(1,380,368)</u>	<u>-</u>
Total revenues and support	<u>5,782,878</u>	<u>278,985</u>	<u>6,061,863</u>
Expenses:			
Program Services:			
Adult day care	406,666	-	406,666
Care managed services	3,504,642	-	3,504,642
Medicare skilled care	305,843	-	305,843
Senior centers	626,191	-	626,191
Senior health clinic	226,245	-	226,245
Supporting Services:			
General administration costs	696,289	-	696,289
Development/fund raising	<u>49,670</u>	<u>-</u>	<u>49,670</u>
Total expenses	<u>5,815,546</u>	<u>-</u>	<u>5,815,546</u>
(Decrease) increase in net assets	(32,668)	278,985	246,317
Net (deficiency) assets at beginning of year	<u>(336,780)</u>	<u>2,676,858</u>	<u>2,340,078</u>
Net (deficiency) assets at end of year	\$ <u>(369,448)</u>	<u>2,955,843</u>	<u>2,586,395</u>

See accompanying Notes to Financial Statements.

**COMMUNITY AGING AND RETIREMENT SERVICES, INC.**

**Statement of Activities**

**Year Ended December 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and Support:			
Grants and contracts	\$ 2,953,302	1,308,021	4,261,323
Medicare	528,909	-	528,909
Fund raising and donations	319,924	-	319,924
Centers activities	230,170	-	230,170
Local cash match	38,771	-	38,771
Assessed fees	488,791	-	488,791
Interest and other	239,780	-	239,780
Net assets released from restrictions due to satisfaction of program and donor restrictions	<u>1,423,700</u>	<u>(1,423,700)</u>	<u>-</u>
Total revenues and support	<u>6,223,347</u>	<u>(115,679)</u>	<u>6,107,668</u>
Expenses:			
Program Services:			
Adult day care	876,450	-	876,450
Care managed services	3,313,026	-	3,313,026
Medicare skilled care	476,499	-	476,499
Senior centers	662,113	-	662,113
Senior health clinic	155,184	-	155,184
Supporting Services:			
General administration costs	699,447	-	699,447
Development/fund raising	<u>60,540</u>	<u>-</u>	<u>60,540</u>
Total expenses	<u>6,243,259</u>	<u>-</u>	<u>6,243,259</u>
Decrease in net assets	(19,912)	(115,679)	(135,591)
Net (deficiency) assets at beginning of year	<u>(316,868)</u>	<u>2,792,537</u>	<u>2,475,669</u>
Net (deficiency) assets at end of year	\$ <u>(336,780)</u>	<u>2,676,858</u>	<u>2,340,078</u>

See accompanying Notes to Financial Statements.

**COMMUNITY AGING AND RETIREMENT SERVICES, INC.**

**Statements of Cash Flows**

	<b>Year Ended December 31,</b>	
	<b>2017</b>	<b>2016</b>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 246,317	(135,591)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	120,800	131,574
(Increase) decrease in unconditional promises to give	(411,804)	158,450
Provision for doubtful accounts	1,430	6,626
(Increase) decrease in accounts receivable	(14,879)	334,358
Increase in beneficial interest in assets held by Community Foundation	(8,618)	(2,530)
Decrease in prepaid assets and deposits	13,033	5,221
Increase (decrease) in accounts payable	343,685	(201,480)
Increase in accrued expenses and other liabilities	<u>3,695</u>	<u>1,081</u>
Net cash provided by operating activities	<u>293,659</u>	<u>297,709</u>
Cash flows from investing activity-		
Net purchase of property	<u>(19,861)</u>	<u>(4,715)</u>
Cash flows from financing activities:		
Proceeds from issuance of notes payable	830,207	125,000
Principal payments on notes payable	(952,423)	(242,289)
Net proceeds (repayment) of lines of credit	<u>244,933</u>	<u>(145,000)</u>
Net cash provided by (used in) financing activities	<u>122,717</u>	<u>(262,289)</u>
Net increase in cash	396,515	30,705
Cash at beginning of year	<u>110,449</u>	<u>79,744</u>
Cash at end of year	\$ <u>506,964</u>	<u>110,449</u>
Supplemental cash flow information-		
Cash paid during the year for interest	\$ <u>50,592</u>	<u>58,137</u>

See accompanying Notes to Financial Statements.

**COMMUNITY AGING AND RETIREMENT SERVICES, INC.**

**Statement of Functional Expenses**

**Year Ended December 31, 2017**

	<u>Program Services</u>					<u>Total</u>	<u>Supporting Services</u>			<u>Total Expenses</u>
	<u>Adult Day Care</u>	<u>Care Managed Services</u>	<u>Medicare Skilled Care</u>	<u>Senior Centers</u>	<u>Senior Health Clinic</u>		<u>General Administration Costs</u>	<u>Development/ Fund Raising</u>	<u>Total</u>	
Personnel	\$ 260,555	1,453,058	184,981	120,273	116,691	2,135,558	437,583	-	437,583	2,573,141
Travel	1,514	46,055	10,609	2,937	3,618	64,733	5,436	-	5,436	70,169
Occupancy	58,731	96,841	25,965	40,146	13,769	235,452	31,585	-	31,585	267,037
Communications and postage	8,273	24,737	6,998	16,388	5,531	61,927	35,444	-	35,444	97,371
Printing and supplies	2,271	12,731	436	5,657	5,134	26,229	22,862	-	22,862	49,091
Maintenance and repair	5,520	8,096	168	30,310	678	44,772	49,290	-	49,290	94,062
Contract services	8,801	1,668,272	50,941	95,254	35,262	1,858,530	45,312	-	45,312	1,903,842
Special events	-	-	-	-	-	-	-	49,670	49,670	49,670
Advertising	1,941	15,759	6,107	6,079	510	30,396	8,249	-	8,249	38,645
Insurance	3,840	7,639	600	12,336	1,440	25,855	22,655	-	22,655	48,510
Program supplies	41,314	149,961	11,810	11,438	2,494	217,017	39	-	39	217,056
Utilities	9,940	4,112	716	51,465	9,620	75,853	-	-	-	75,853
Professional fees	-	-	2,700	-	-	2,700	31,900	-	31,900	34,600
Interest expense	-	-	-	53,623	-	53,623	-	-	-	53,623
Other costs	3,966	17,381	3,812	65,586	5,535	96,280	5,934	-	5,934	102,214
Depreciation	-	-	-	114,699	6,101	120,800	-	-	-	120,800
Capital additions	-	-	-	-	19,862	19,862	-	-	-	19,862
<b>Total expenses</b>	<b>\$ <u>406,666</u></b>	<b><u>3,504,642</u></b>	<b><u>305,843</u></b>	<b><u>626,191</u></b>	<b><u>226,245</u></b>	<b><u>5,069,587</u></b>	<b><u>696,289</u></b>	<b><u>49,670</u></b>	<b><u>745,959</u></b>	<b><u>5,815,546</u></b>

See accompanying Notes to Financial Statements.



**COMMUNITY AGING AND RETIREMENT SERVICES, INC.**

**Statement of Functional Expenses**

**Year Ended December 31, 2016**

	<u>Program Services</u>					<u>Total</u>	<u>Supporting Services</u>			<u>Total Expenses</u>
	<u>Adult Day Care</u>	<u>Care Managed Services</u>	<u>Medicare Skilled Care</u>	<u>Senior Centers</u>	<u>Senior Health Clinic</u>		<u>General Administration Costs</u>	<u>Development/ Fund Raising</u>	<u>Total</u>	
Personnel	\$ 510,334	1,455,491	259,829	145,577	97,746	2,468,977	402,367	34,316	436,683	2,905,660
Travel	1,556	47,569	25,303	978	4,395	79,801	3,201	-	3,201	83,002
Occupancy	86,183	98,226	26,034	43,875	12,975	267,293	31,584	-	31,584	298,877
Communications and postage	16,567	16,542	7,235	19,163	5,571	65,078	50,794	191	50,985	116,063
Printing and supplies	2,140	10,247	2,255	4,830	1,236	20,708	23,847	3,469	27,316	48,024
Maintenance and repair	14,471	5,879	-	36,217	1,838	58,405	48,634	-	48,634	107,039
Contract services	140,623	1,445,448	127,777	90,415	16,991	1,821,254	54,138	1,007	55,145	1,876,399
Special events	168	-	-	2,444	1,031	3,643	-	16,109	16,109	19,752
Advertising	735	8,465	7,544	1,698	-	18,442	4,234	3,434	7,668	26,110
Insurance	6,645	10,324	600	8,942	890	27,401	28,164	-	28,164	55,565
Program supplies	77,723	197,760	13,658	10,148	546	299,835	-	1,992	1,992	301,827
Utilities	14,111	4,126	520	59,418	7,605	85,780	-	-	-	85,780
Professional fees	-	-	2,700	500	-	3,200	44,900	-	44,900	48,100
Interest expense	-	-	-	56,062	-	56,062	-	-	-	56,062
Other costs	5,194	12,949	3,044	53,492	1,140	75,819	7,584	22	7,606	83,425
Depreciation	-	-	-	128,354	3,220	131,574	-	-	-	131,574
<b>Total expenses</b>	<b>\$ <u>876,450</u></b>	<b><u>3,313,026</u></b>	<b><u>476,499</u></b>	<b><u>662,113</u></b>	<b><u>155,184</u></b>	<b><u>5,483,272</u></b>	<b><u>699,447</u></b>	<b><u>60,540</u></b>	<b><u>759,987</u></b>	<b><u>6,243,259</u></b>

See accompanying Notes to Financial Statements.

# COMMUNITY AGING AND RETIREMENT SERVICES, INC.

## Notes to Financial Statements

At December 31, 2017 and 2016 and for the Years Then Ended

### (1) Summary of Significant Accounting Policies

**Operations.** Community Aging and Retirement Services, Inc. ("CARES" or "Organization") is a tax exempt, Florida not-for-profit corporation organized for the purpose of development, delivery and coordination of high quality programs and services which are responsive to the needs of adults and older persons residing in West Central Florida. CARES currently conducts its operations through two program offices, five senior centers, two adult day care centers and one senior health clinic.

Management has evaluated events occurring subsequent to the balance sheet date through May 17, 2018, which is the date the financial statements were available to be issued, determining no events require additional disclosure in these financial statements.

**Estimates.** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") 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.

**Financial Statement Presentation.** The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**Grants, Contracts and Contributions.** Contributions received, including unconditional promises to give, are recognized as revenue in the period received at their fair value. All of the Organization's grants and contracts are conditional promises to give which are accounted for as unconditional promises to give because the possibility of the conditions not being satisfied is remote. The Organization distinguishes between contributions received that increase permanently restricted net assets, temporarily restricted net assets and unrestricted net assets. Expiration of donor imposed restrictions are recognized in the period in which the restrictions expire. Therefore, the Organization reports grants, contracts, gifts of cash 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 statement of activities as net assets released from restrictions.

(continued)

# COMMUNITY AGING AND RETIREMENT SERVICES, INC.

## Notes to Financial Statements, Continued

### (1) Summary of Significant Accounting Policies, Continued

**Allowance for Uncollectible Accounts Receivable.** An allowance for uncollectible accounts receivable is recorded based on a combination of write-off history, aging analysis and any specific known troubled accounts. Receivable losses are charged against the allowance when management believes the uncollectability of the receivable is confirmed, subsequent recoveries, if any, are credited to the allowance. At December 31, 2017 and 2016, the Organization had an allowance for uncollectable accounts of \$8,052 and \$6,626, respectively.

**Unconditional Promises to Give.** Contributions, which include grants and contracts, are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Substantially all of the unconditional promises to give as of December 31, 2017 are expected to be received in 2018 and management believes all such amounts are collectable.

**Property.** Property is stated at cost when purchased or the estimated fair market value at the time of receipt, if donated. Depreciation of assets is computed using the straight-line method over the estimated useful lives of the assets, ranging from five to ten years for equipment and thirty years for buildings. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the lease term. Depreciation expense was \$120,800 and \$131,574 for the years ended December 31, 2017 and 2016, respectively.

The Organization reports gifts of and grants and contracts used to purchase land, building, and equipment as unrestricted support unless explicit donor stipulations specify how the assets must be used. Gifts of property and grants and contracts used to purchase long lived assets with explicit restrictions that specify how the assets are to be used and gifts, grants and contracts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Property acquired with governmental grant and contract funds is considered to be owned by the Organization while used in the programs; however, the Federal, state or a city government has a reversionary interest in the property. The retirement of this property as well as the ownership of any proceeds therefrom is also subject to government regulations. All property, except certain land, acquired with governmental grant and contract funds is recorded as temporarily restricted net assets.

**Functional Expenses.** Expenses are charged directly to program or supporting services based on specific identification. Indirect expenses have been allocated based on direct expenditures incurred in specific programs.

(continued)

# COMMUNITY AGING AND RETIREMENT SERVICES, INC.

## Notes to Financial Statements, Continued

### (1) Summary of Significant Accounting Policies, Continued

**Income Taxes.** The Organization is incorporated as a not-for-profit organization, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, it has been determined by the Internal Revenue Service that the Organization is not a private foundation under Section 509(a) of the Code. The Organization is no longer subject to Federal income tax examinations for years before 2014. The Organization has adopted the provisions of Financial Accounting Standards Board ("FASB") 740, Income Taxes. Using this guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than not the positions will not be sustained upon examination by the tax authorities. As of December 31, 2017, the Organization had no uncertain tax positions.

**Advertising.** The Organization expenses all media advertising as incurred. Advertising expense totaled \$38,645 and \$26,110 for the years ending December 31, 2017 and 2016, respectively.

**Recent Pronouncements.** In August 2016, FASB issued Accounting Standards Update ("ASU") No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which is intended to simplify and improve how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. The new guidance simplifies and improves the face of the financial statements and enhances the disclosures in the notes—which will enable not-for-profits to better communicate their financial performance and condition to their stakeholders while also reducing certain costs and complexities in preparing the financial statements. The ASU requires improved presentation and disclosures to help not-for-profits provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users. These include qualitative and quantitative requirements in the following areas: Net Asset Classes, Investment Return, Expenses, Liquidity and Availability of Resources and Presentation of Operating Cash Flows. The amendments in the standard are effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Application to interim financial statements is permitted but not required in the initial year of application. Early application of the amendments in this Update is permitted. The Organization is in the process of determining the effect of the ASU on its financial statements.

### (2) Beneficial Interest in Assets Held by Community Foundation

The Organization has established an agency fund with the Community Foundation of Tampa Bay ("Community Foundation") for the benefit of the Organization. The Organization granted variance power to the Community Foundation, thus the Community Foundation has full authority and discretion as to the investment and reinvestment of assets. Unless the Organization qualifies for a distribution based on a hardship, only five percent of the asset balance is available for distribution each year.

(continued)

**COMMUNITY AGING AND RETIREMENT SERVICES, INC.**

**Notes to Financial Statements, Continued**

**(3) Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes:

The following grants and contracts for which expenses have not yet been incurred to satisfy their restricted purpose:

	<b>At December 31,</b>	
	<b>2017</b>	<b>2016</b>
Community Care for the Elderly (CCE)	\$ 1,215,644	977,752
Alzheimer's Disease Initiative (ADI)	321,832	320,743
Home Care for the Elderly	6,712	5,070
Community Foundation	99,962	91,344
Other	63,118	-
	<b>\$ <u>1,707,268</u></b>	<b><u>1,394,909</u></b>
 Building and equipment acquired with governmental grant and contract funds, net	 <b>\$ <u>1,248,575</u></b>	 <b><u>1,281,949</u></b>

**(4) Release of Temporarily Restricted Net Assets**

The net assets released from grant and contract restrictions by incurring expenses satisfying the restricted purpose were as follows:

	<b>Year Ended December 31,</b>	
	<b>2017</b>	<b>2016</b>
CCE	\$ (977,752)	(1,109,377)
ADI	(320,743)	(260,422)
United Way	-	(30,000)
Home Care for the Elderly	(5,070)	(6,282)
Other	(43,429)	(1,926)
 Decrease	 <b>(1,346,994)</b>	 <b>(1,408,007)</b>

The decrease in the temporarily restricted net assets of property is due to the following:

Decrease in note payable	15,981	32,998
Additions	-	1,926
Depreciation	(49,355)	(50,617)
 Decrease	 <b>(33,374)</b>	 <b>(15,693)</b>
 Net assets released from restrictions	 <b>\$ <u>(1,380,368)</u></b>	 <b><u>(1,423,700)</u></b>

(continued)

**COMMUNITY AGING AND RETIREMENT SERVICES, INC.**

**Notes to Financial Statements, Continued**

**(5) Property, Net**

Property and related accumulated depreciation and amortization consisted of the following:

	<u>At December 31,</u>	
	<u>2017</u>	<u>2016</u>
Land	\$ 250,000	250,000
Buildings	2,362,503	2,362,503
Leasehold improvements	364,038	364,038
Furniture and equipment	258,388	243,772
Vehicles	<u>131,845</u>	<u>141,645</u>
 Total, at cost	 3,366,774	 3,361,958
 Less accumulated depreciation and amortization	 (1,458,734)	 (1,352,979)
	 <u>\$ 1,908,040</u>	 <u>2,008,979</u>

The Organization leases certain equipment under operating leases which expire from 2018 to 2020. Lease expense was \$29,701 and \$33,137 for the years ended December 31, 2017 and 2016, respectively. Future minimum lease commitments under these leases are as follows:

<u>Year Ending December 31,</u>	<u>Minimum Annual Rental Payment</u>
2018	\$ 16,951
2019	4,671
2020	<u>1,266</u>
 Total	 <u>\$ 22,888</u>

(continued)

**COMMUNITY AGING AND RETIREMENT SERVICES, INC.**

**Notes to Financial Statements, Continued**

**(6) Notes Payable**

Notes payable are as follows:

	<u>At December 31,</u>	
	<u>2017</u>	<u>2016</u>
Mortgage note payable to a bank. The note bore interest at 4.70 with monthly principle of interest payments of \$3,700 and a balloon payment due May 10, 2019. The note was refinanced in 2017. The note was refinanced in 2017. The note now bears interest at 4.20% with monthly principal and interest payments of \$1,612 and a balloon payment due on August 11, 2027. The mortgage note is collateralized by a first mortgage note on the Crescent Senior Enrichment Center, which has a net book value of \$769,154 at December 31, 2017.	\$ 257,294	273,276
Mortgage note payable to a bank. The note bore interest at 4.75% with monthly principle of interest payments of \$4,387 and a balloon payment due in June 30, 2017. The note was refinanced in 2017. The note now bears interest at 4.20% with monthly principal and interest payments of \$3,534 and a balloon payment due on July 26, 2027. The mortgage note is cross-collateralized by a first mortgage on the Rao Musunuru MD Senior Enrichment Center, which has a net book value of \$784,490 at December 31, 2017.	562,598	573,832
Note payable to an individual. It was unsecured and bore interest at 6%, and was paid-off in 2017.	-	25,000
On February 1, 2016, the Organization entered into a note payable with an individual. The note was due on February 1, 2018 unsecured, bore interest at 6% and was paid-off in 2017.	-	<u>70,000</u>
Total	819,892	942,108
Less current portion of notes payable	<u>27,370</u>	<u>625,992</u>
Notes payable, noncurrent portion	\$ <u>792,522</u>	<u>316,116</u>

The annual principal payments due on these notes payable are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2018	\$ 27,370
2019	28,558
2020	29,708
2021	31,088
2022	32,131
Thereafter	<u>671,037</u>
	\$ <u>819,892</u>

(continued)

COMMUNITY AGING AND RETIREMENT SERVICES, INC.

Notes to Financial Statements, Continued

(7) Lines of Credit

The Organization had a \$50,000 line of credit with a financial institution which was due on demand and bore interest at the Wall Street Journal Prime rate plus two percent. There was no balance outstanding on this line of credit at December 31, 2016. The line of credit was cross-collateralized by the Rao Musunuru MD Senior Enrichment Center.

The Organization had a \$100,000 line of credit with a financial institution which was due on demand and bore interest at the Wall Street Journal Prime rate plus two percent. There was no balance outstanding on this line of credit at December 31, 2016. The line of credit was collateralized by certain accounts receivable.

On August 11, 2017, the Organization entered into a \$250,000 line of credit with a financial institution, with the purpose of renewing and consolidating the lines of credit mentioned above. The line of credit is due on demand and bears interest at the Wall Street Journal prime rate plus one percent (5.50% at December 31, 2017). The balance outstanding on this line of credit at December 31, 2017 was \$244,933. The line of credit is cross-collateralized by the Crescent Senior Enrichment Center and the Rao Musunuru MD Senior Enrichment Center.

(8) In-Kind Contributed Services

During the years ended December 31, 2017 and 2016, the Organization received the following value of in-kind contributed services that do not meet the requirements for recognition in the financial statements under GAAP but do qualify for local matching under federal and state grants.

<u>Grant</u>	<u>Year Ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Title III-D Senior Health Promotion and Medication Management	\$ 15,217	20,533
CCE	526,512	524,049
Title III-B Adult Day Care	<u>289,277</u>	<u>35,956</u>
	<u>\$ 831,006</u>	<u>580,538</u>

(9) Concentration of Credit Risk

The Organization has a concentration of credit risk in connection with its accounts receivable and unconditional promises to give. The majority of these amounts are due from Federal and State agencies and management believes there is minimal credit risk associated with these accounts.

At various times throughout 2017 and at December 31, 2017, cash balances held at a financial institution were in excess of federally insured limits. However, the Organization has not experienced any losses in such accounts and management believes no significant concentration of credit risk exists with respect to this cash account.



## COMMUNITY AGING AND RETIREMENT SERVICES, INC.

Schedule of Expenditures of Federal Awards and  
State Financial Assistance

For the Year Ended December 31, 2017

<u>Federal/State Agency/Pass-Through Entity Federal Program/State Project</u>	<u>Federal CFDA Number</u>	<u>Contract Grant Number</u>	<u>Contract Grant Period</u>	<u>Expenditures</u>
<u>Federal Awards:</u>				
U.S. Department of Health and Human Services Passed through the Area of Agency on Aging of Pasco-Pinellas, Inc.:				
Administration for Community Living:				
Special Programs for the Aging-Title III, Part B – Grants for Supportive Services and Senior Centers	93.044	EA-017-CARES	1/1/17-12/31/17	\$ 418,170
Special Programs for the Aging-Title III, Part D – Disease Prevention and Health Promotion Services	93.043	EA-017-CARES	1/1/17-12/31/17	129,151
National Family Caregiver Support-Title III, Part E	93.052	-	1/1/17-12/31/17	<u>87,848</u>
Total administration for Community Living				635,169
Passed through the Health Maintenance Organization Medical Assistance Program	93.778	-	1/1/17-12/31/17	<u>33,248</u>
Total U.S. Department of Health and Human Services				<u>668,417</u>
U.S. Department of Agriculture Passed through Florida Department of Elder Affairs Child and Adult Care Food Program	10.558	Y6111	1/1/17-12/31/17	<u>19,394</u>
Total U.S. Department of Agriculture				<u>19,394</u>
Total expenditure of Federal Awards				\$ <u>687,811</u>

(continued)

## COMMUNITY AGING AND RETIREMENT SERVICES, INC.

Schedule of Expenditures of Federal Awards and  
State Financial Assistance, Continued

For the Year Ended December 31, 2017

<u>Federal/State Agency/Pass-Through Entity Federal Program/State Project</u>	<u>State CSFA Number</u>	<u>Contract Grant Number</u>	<u>Contract Grant Period</u>	<u>Expenditures</u>
<u>State Financial Assistance:</u>				
Passed through the Area Agency on Aging of Pasco-Pinellas, Inc.:				
Home Care for the Elderly Program:	65.001			
Home Care for the Elderly Program		EH016-CARES	07/01/16-06/30/2017	\$ 15,220
Home Care for the Elderly Program		EH017-CARES	07/01/17-06/30/2018	<u>15,656</u>
Total Home Care for the Elderly Program				<u>30,876</u>
Community Care for the Elderly Program:	65.010			
Community Care for the Elderly Program		EC016-CARES	07/01/16-06/30/2017	1,321,041
Community Care for the Elderly Program		EC017-CARES	07/01/17-06/30/2018	<u>1,355,673</u>
Total Community Care for the Elderly Program				<u>2,676,714</u>
Alzheimer's Disease Initiative Program:	65.004			
Alzheimer's Disease Initiative		EZ016-CARES	07/01/16-06/30/2017	318,346
Alzheimer's Disease Initiative		EZ017-CARES	07/01/17-06/30/2018	<u>330,073</u>
Total Alzheimer's Disease Initiative Program				<u>648,419</u>
Local Services Program:	65.009			
Local Services Program Homemaker		EL016-CARES-2017	01/01/17-06/30/2017	26,734
Local Services Program Chore		EL016-CARES-2017	01/01/17-06/30/2017	25,418
Local Services Program Adult Day Care		EL016-CARES-2017	01/01/17-06/30/2017	45,489
Local Services Program Homemaker		EL017-CARES-ADC	07/01/17-06/30/2018	<u>4,599</u>
Total Local Services Program				<u>102,240</u>
Passed through the Health Maintenance Organization- Medicaid Waiver				<u>21,167</u>
Total Expenditures of State Financial Assistance				\$ <u>3,479,416</u>

**COMMUNITY AGING AND RETIREMENT SERVICES, INC.****Schedule of Expenditures of Federal Awards and  
State Financial Assistance, Continued****For the Year Ended December 31, 2017**

## Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") includes the federal and state award activity of Community Aging and Retirement Services, Inc. (the "Organization") for the year ended December 31, 2017 and is presented on the same basis as stated in Note 1, Summary of Significant Accounting Policies, in the accompanying financial statements. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Rule 10.656 of the Auditor General. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

The Organization has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**COMMUNITY AGING AND RETIREMENT SERVICES, INC**  
**SCHEDULE OF FUNCTIONAL EXPENSES AS REQUIRED BY DEPARTMENT OF ELDER AFFAIRS (DOEA)**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

Schedule II

EXPENSE	PERSONAL			SPECIALIZED	MATERIAL	PASCO	ESCORT	COMPANIONSHIP	COUNSELING
	HOMEMAKE	CARE	RESPIRE	EQUIPMENT & SUPPLIES	AIDE	COUNTY ADULT DAY CARE			
Salaries	\$ 487,271	139,686	120,166	1,728	98	208,797	444	39,986	2,261
Payroll Taxes & Benefits	104,450	30,336	24,954	333	20	51,759	89	8,315	446
Travel	21,190	4,156	3,781	38	3	1,514	19	1,251	55
Comm. & Postage	11,388	3,997	3,064	15	1	8,273	7	1,002	19
Utilities	-	-	-	-	-	9,940	-	-	-
Advertising (positions only)	8,354	2,742	2,094	9	1	1,941	10	703	12
Insurance	-	-	-	-	-	3,840	-	-	-
Maint & Repair	469	255	108	-	-	5,520	-	35	-
Printing & Supplies	4,067	1,415	1,434	21	1	2,271	4	455	28
Bldg. Cost	26,490	8,254	7,978	160	9	58,731	12	2,574	214
Prof.Fees/Legal/Audit (incl in admin)	-	-	-	-	-	-	-	-	-
Sub-Contractors	434,618	229,375	536,455	53,966	1	8,801	20	107,062	28,010
Program Supplies	3,175	1,044	800	138,622	249	41,314	2	265	-
Depreciation	-	-	-	-	-	-	-	-	-
Capital Additions	-	-	-	-	-	-	-	-	-
Special Events	-	-	-	-	-	-	-	-	-
Other	9,905	3,439	2,475	2	-	3,965	15	837	3
<b>Sub-Total Program Cost</b>	<b>1,111,377</b>	<b>424,699</b>	<b>703,309</b>	<b>194,894</b>	<b>383</b>	<b>406,666</b>	<b>622</b>	<b>162,485</b>	<b>31,048</b>
<b>Allocation of Admin Costs</b>	<b>138,522</b>	<b>51,999</b>	<b>45,687</b>	<b>20,329</b>	<b>70</b>	<b>76,701</b>	<b>120</b>	<b>24,843</b>	<b>6,291</b>
<b>Total Allowable Expenses</b>	<b>\$ 1,249,899</b>	<b>476,698</b>	<b>748,996</b>	<b>215,223</b>	<b>453</b>	<b>483,367</b>	<b>742</b>	<b>187,328</b>	<b>37,339</b>
<b>Units of Service</b>	<b>50,448</b>	<b>18,555</b>	<b>31,713</b>	<b>1,032</b>	<b>10</b>	<b>41,972</b>	<b>30</b>	<b>7,163</b>	<b>506</b>
<b>UNIT COST</b>	<b>\$ 25</b>	<b>26</b>	<b>23</b>	<b>N/A</b>	<b>N/A</b>	<b>12</b>	<b>25</b>	<b>26</b>	<b>74</b>

(continued)

Note: Units of service have been rounded to whole numbers on this schedule, therefore, unit cost amounts, when divided, may yield minor differences.

**COMMUNITY AGING AND RETIREMENT SERVICES, INC**  
**SCHEDULE OF FUNCTIONAL EXPENSES AS REQUIRED BY DEPARTMENT OF ELDER AFFAIRS (DOEA)**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

Schedule II

EMERGENCY ALERT RESPONSE	HOME DELIVERED MEALS	HOME HEALTH AIDE	HOME NURSING	EHANCED CORE	PHYSICAL THERAPY	OTHER	PEST CONTROL INITIAL	PEST CONTROL MAINTENANCE	RISK REDUCTION NUTRITION	RODENT CONTROL	TRANSPORT.	OCC. Therapy
1,005	98	2,036	21,743	8,719	271	98	76	607	23	98	379	94
193	19	347	4,107	1,794	52	19	15	120	5	19	75	19
14	3	265	4,110	176	6	3	2	13	1	3	8	6
1	1	3	747	112	7	1	1	5	-	1	3	7
-	-	-	-	63	-	-	-	-	-	-	-	-
1	1	2	36	35	1	1	-	3	-	1	2	1
-	-	-	-	161	-	-	-	-	-	-	-	-
-	-	-	2	103	-	-	-	-	-	-	-	-
1	1	4	49	86	2	1	1	8	-	1	5	1
10	9	37	1,069	754	15	9	7	58	2	9	36	12
-	-	-	-	-	-	-	-	-	-	-	-	-
31,108	191,788	2	16	46	1,446	8,451	4,296	28,329	234	953	11,387	480
-	-	8	244	136	2	-	-	-	-	-	-	2
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	8	8	-	-	-	1	-	-	1	-
32,333	191,920	2,704	32,131	12,193	1,802	8,583	4,398	29,144	265	1,085	11,896	622
6,192	13,719	610	8,169	3,705	356	1,619	880	5,495	49	198	2,259	125
38,525	205,639	3,314	40,300	15,898	2,158	10,202	5,278	34,639	314	1,283	14,155	747
34,270	28,202	130	855	308	4	5	52	500	4	7	473	6
1	7	25	47	52	539	N/A	101	69	74	183	30	125

(continued)

Note: Units of service have been rounded to whole numbers on this schedule, therefore, unit cost amounts, when divided, may yield minor differences.

**COMMUNITY AGING AND RETIREMENT SERVICES, INC**  
**SCHEDULE OF FUNCTIONAL EXPENSES AS REQUIRED BY DEPARTMENT OF ELDER AFFAIRS (DOEA)**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

Schedule II

CASE MANAGEMENT	CASE AIDE	CHORE	III-D CHRONIC DISEASE SELF MANAGEMENT	III-D DIABETES SELF MANAGEMENT	III-D HEALTHY EATING EVERYDAY	III-D Chronic PAIN SELF MANAGEMENT	III-D MATTER OF BALANCE	III-D ACTIVE LIVING EVERYDAY	III-D TAI- CHI	NON- DOEA	TOTAL
190,077	67,919	115,704	12,339	8,434	2,107	12,894	9,138	5,292	13,717	295,998	1,769,303
41,912	9,435	25,397	1,781	1,217	304	1,861	1,319	764	1,980	52,799	366,255
6,989	931	3,033	699	478	119	730	518	300	777	13,542	64,733
537	35	3,783	236	161	40	246	175	101	262	27,696	61,927
-	-	4,048	-	-	-	-	-	-	-	61,802	75,853
214	1,506	30	-	-	-	-	-	-	-	12,696	30,396
-	-	7,477	-	-	-	-	-	-	-	14,377	25,855
1,544	-	5,579	-	-	-	-	-	-	-	31,157	44,772
2,730	1,118	1,296	49	34	8	52	37	21	55	10,973	26,229
31,633	11,202	6,288	1,543	1,054	263	1,612	1,142	662	1,715	71,889	235,452
-	-	-	-	-	-	-	-	-	-	2,700	2,700
53	47	133	1,778	1,216	304	1,858	1,317	763	1,977	172,240	1,858,530
118	-	5,295	195	133	33	203	144	83	216	24,734	217,017
-	-	-	-	-	-	-	-	-	-	120,800	120,800
-	-	-	-	-	-	-	-	-	-	19,862	19,862
-	-	-	-	-	-	-	-	-	-	49,670	49,670
395	209	82	490	335	84	512	363	210	545	126,019	149,903
276,202	92,402	178,145	19,110	13,062	3,262	19,968	14,153	8,196	21,244	1,108,954	5,119,257
51,891	18,094	33,438	3,605	2,464	616	3,767	2,670	1,546	4,008	166,252	696,289
328,093	110,496	211,583	22,715	15,526	3,878	23,735	16,823	9,742	25,252	1,275,206	5,815,546
5,680	3,320	3,642	10	8	2	12	27	4	16		
58	33	58	2,271	1,941	1,940	1,978	623	2,435	1,578		

Note: Units of service have been rounded to whole numbers on this schedule, therefore, unit cost amounts, when divided, may yield minor differences.



**Independent Auditors' 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***

The Board of Directors  
Community Aging and Retirement Services, Inc.  
Hudson, 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 financial statements of Community Aging and Retirement Services, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 17, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 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 Organization's financial statements are free from 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*.

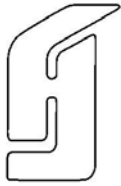
### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Hacker, Johnson & Smith PA*

HACKER, JOHNSON & SMITH PA  
Tampa, Florida  
May 17, 2018





**Independent Auditors' Report on Compliance for Each Major State Project and Report on Internal Control Over Compliance Required by State of Florida Chapter 10.650, Rules of the Auditor General**

The Board of Directors  
Community Aging and Retirement Services, Inc.  
Hudson, Florida:

**Report on Compliance for Each Major State Project**

We have audited Community Aging and Retirement Services, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the Organization's major state projects for the year ended December 31, 2017. The Organization's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state projects applicable to its state projects.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the Organization'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; and Chapter 10.650, *Rules of the Auditor General*. Those standards and Chapter 10.650, *Rules of the Auditor General* 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 the Organization'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 major state project. However, our audit does not provide a legal determination of the Organization's compliance.

### **Opinion on Each Major State Project**

In our opinion, the Organization 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 state projects for the year ended December 31, 2017.

### **Report on Internal Control Over Compliance**

Management of the Organization 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 Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major state project to determine the auditing procedures that are appropriate in 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 Chapter 10.650, *Rules of the Auditor General*, 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 Organization'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 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. *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 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.

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 the Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

*Hacker, Johnson & Smith PA*

HACKER, JOHNSON & SMITH PA  
Tampa, Florida  
May 17, 2018



**Community Aging and Retirement Services, Inc.**

**Schedule of Findings and Questioned Costs**

**Year Ended December 31, 2017**

**Section I - Summary of Auditors' Results**

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified?  yes  no  
Significant deficiency(s) identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

Federal Awards

Internal control over major federal programs:

Material weaknesses identified?  yes  no  
Significant deficiency(s) identified?  yes  none reported

Type of auditors' report issued on compliance for major federal programs: N/A

Any audit findings disclosed that are required to be reported in accordance with the 2 CFR 200.516 (a)?  yes  no

Identification of major programs:

*CFDA Number* *Name of Federal Program*

None None

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee?  yes  no

State Awards

Internal control over major state projects:

Material weaknesses identified?  yes  no  
Significant deficiency identified?  yes  none reported

Type of auditors' report issued on compliance for major state projects: Unmodified

Any audit findings disclosed that are required to be reported under Rule 10.656?  yes  no

Identification of major projects:

<i>CSFA Number</i>	<i>Name of State Program</i>
<u>65.010</u>	<u>Community Care for the Elderly Program</u>
<u>65.004</u>	<u>Alzheimer's Disease Initiative Program</u>

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Items to be reported in a management letter  yes  no

**Section II – Financial Statement Findings**

No significant deficiency, material weaknesses, or instances of noncompliance relating to the financial statements were identified that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards* or auditing standards generally accepted in the United States of America.


**Section III – Federal and State Award Findings and Questioned Costs**

No audit findings were identified that are required to be reportable by the 2 CFR 200.516(a) or under Rule 10.656 of the Auditor General.

If you have any questions please call David Ajvazi at (813) 286-2424.

Very truly yours,

HACKER, JOHNSON & SMITH PA

  
David E. Ajvazi

DEA/yea



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***Our Vision:***  
***A caring community committed to***  
***strengthening lives and creating positive futures.***

### Corrective Action Plan

May 17, 2018

No corrective action plan is necessary because the auditors' did not identify any audit findings in connection with the audit of Community Aging and Retirement Services, Inc. for the year ended December 31, 2017.



## **Summary Schedule of Prior Audit Findings**

May 17, 2018

There were no prior audit findings or questioned costs relative to Federal awards or State projects identified in the audit of Community Aging and Retirement Services, Inc. for the year ended December 31, 2016.