

NU-HOPE ELDER CARE SERVICES, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2013

**NU-HOPE ELDER CARE SERVICES, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Nu-Hope Elder Care Services, Inc.
Sebring, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Nu-Hope Elder Care Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and cash flows for the year 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 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 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 Nu-Hope Elder Care Services, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary and Other Information

Other Information – Schedule of Expenditures of Federal Awards

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards and state financial assistance as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.650, *Nonprofit and For-Profit Organizations audits*, Rules of the Auditor General of the State of Florida, is presented for purposes of additional analysis and is not a required part of the 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. 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.

Other Information – Schedule of Functional Expenses

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. The total expenses reported on the schedule of functional expenses 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.

Allocations of expenses among functions, units of service and unit cost have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2014, on our consideration of Nu-Hope Elder Care Services, Inc. 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 result of that testing, and not to provide an opinion on 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 Nu-Hope Elder Care Services, Inc.'s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Sebring, Florida
June 5, 2014

**NU-HOPE ELDER CARE SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$	250,746
Grants and Contracts Receivable		231,688
Other Receivables		3,054
Prepaid Expenses		10,095
Other Assets		2,084
Total Current Assets		497,667

LAND, BUILDING AND EQUIPMENT

Land		14,250
Building and Improvements		148,447
Leasehold Improvements		58,337
Vehicles		27,329
Furniture and Equipment		88,814
Total		337,177
Less: Accumulated Depreciation		(181,776)
Net Fixed Assets		155,401

Total Assets	\$	653,068
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$	117,352
Accrued Expenses		65,237
Deferred Revenue		5,600
Total Current Liabilities		188,189

Total Liabilities		188,189
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NET ASSETS

Unrestricted		464,879
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Total Liabilities and Net Assets	\$	653,068
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See accompanying Notes to Financial Statements.

**NU-HOPE ELDER CARE SERVICES, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2013**

SUPPORT AND REVENUE

Public Support:	
Grants and Aid	\$ 1,831,616
Revenue from Highlands County Government	29,250
Revenue from Hardee County Government	28,000
Contributions	78,631
Total Public Support	1,967,497
Other Revenue:	
Thrift Store Sales	378,645
Special Events	42,823
Program Income	30,268
Local In-Kind Match	62,273
Miscellaneous	512
Total Other Revenue	514,521
Total Support and Revenue	2,482,018

EXPENSES

Program Services:	
Case Management	196,166
Case Aide	29,366
Companionship	19,494
Congregate Meals	143,473
Emergency Alert Response	11,853
Home Delivered Meals	451,893
Personal Care	177,433
Homemaker	243,756
Respite	380,305
Nutrition Education	7,999
Nutrition Counseling	2,167
Outreach	22,544
Transportation	70,290
E.H.E.A.P.	40,284
Health Support	2,940
Housing Improvement	4,405
Medical Supplies/Services	36,946
Material Aid	13,356
Total Program Services	1,854,670
Supporting Services:	
Fundraising	296,981
Management and General	362,411
Total Supporting Services	659,392
Total Expenses	2,514,062

NET DECREASE IN NET ASSETS	(32,044)
Net Assets - Beginning of Year	496,923
NET ASSETS - END OF YEAR	\$ 464,879

See accompanying Notes to Financial Statements.

**NU-HOPE ELDER CARE SERVICES, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2013**

CASH FLOWS FROM OPERATING ACTIVITIES	
Net Decrease in Net Assets	\$ (32,044)
Adjustments to Reconcile Net Decrease in Net Assets to	
Net Cash Used by Operating Activities:	
Depreciation	24,321
(Increase) Decrease in Assets:	
Grants and Contracts Receivable	11,347
Other Receivables	(549)
Prepaid Expenses	(266)
Increase (Decrease) in Liabilities:	
Accounts Payable	2,899
Accrued Expenses	17,441
Deferred Revenue	<u>(29,565)</u>
Net Cash Used by Operating Activities	<u>(6,416)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Property and Equipment	(3,509)
 CASH FLOWS FROM FINANCING ACTIVITIES	
Reduction of Long-Term Debt	<u>(21,619)</u>
 NET DECREASE IN CASH AND CASH EQUIVALENTS	(31,544)
 Cash and Cash Equivalents - Beginning of Year	<u>282,290</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 250,746</u></u>
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash Paid During the Period for Interest	<u><u>\$ 733</u></u>

See accompanying Notes to Financial Statements.

NU-HOPE ELDER CARE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

Nu-Hope Elder Care Services, Inc. (Agency) is a private, not-for-profit organization incorporated in July 1975 in the State of Florida. Its goals are to assist the senior citizens of Highlands County and Hardee County to prevent or delay leaving one's home to enter an institution; to help in the home after hospitalization or illness; to provide better nutrition through home delivered meals and congregate dining sites; and to provide social, educational and recreational activities at its sites and senior centers. The Agency is primarily supported by government grants. Other support is provided by thrift store sales and contributions from local government and private sources.

Financial Statement Presentation

The Agency is required to report 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.

Unrestricted Net Assets – Net assets not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that will be met by actions of the Agency and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Agency. Generally, the donors of these assets permit the Agency to use all or part of the income earned on related investments for general or specific purposes.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decrease in unrestricted net assets unless their use is restricted by explicit donor-stipulation or by law. As of December 31, 2013, all of the Agency's net assets were unrestricted.

Contributions

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

NU-HOPE ELDER CARE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Local In-Kind Match

Local in-kind match represents the estimated utilities and estimated fair rental value of building space. Contributed utilities and building space are provided on a month-to-month basis and amounted to \$9,350 and \$52,923, respectively. In Hardee County, utilities and building space were provided by the City of Wauchula. In Highlands County, building space was provided by the Highlands County School Board and Highlands County Board of County Commissioners.

Cash and Cash Equivalents

For purposes of financial statement presentation, the Agency considers all cash and highly liquid investment instruments with initial maturities of three months or less to be cash equivalents.

Inventories

The Agency operates Nu-Hope Thrift Stores, retail operations where clothing, home furnishings, appliances, and other miscellaneous items are donated and then sold to the community at a greatly reduced price. Revenue is recognized by the Agency at the time the goods are sold; therefore, no value for the Thrift Store inventory is included in these financial statements.

Land, Building and Equipment

Fixed assets acquired by the Agency are considered to be owned by the Agency except for property acquired with grant funds. The property acquired with grant funds is considered to be owned by the Agency while used in the program for which it was purchased or in other future authorized programs; however, a reversionary interest in the property is held by the United States and/or State of Florida. The disposition of equipment, as well as the ownership of any proceeds there from, is subject to government regulations.

Fixed assets that are owned by the Agency are recorded at cost if purchased or at fair market value at the date of gift, when donated. The cost of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed in the period incurred. When the Agency's fixed assets are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

The Agency follows the practice of capitalizing all expenditures for property, furniture, fixtures and office equipment in excess of \$1,000.

Depreciation and Amortization

Vehicles, furniture and equipment are being depreciated over estimated useful lives of 3 to 10 years using a straight-line method. Buildings and building improvements are being amortized over the estimated useful life. Leasehold improvements are amortized over the term of the lease.

**NU-HOPE ELDER CARE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Federal Income Taxes

The Agency has qualified with the Internal Revenue Service as exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and the Agency is classified as other than a private foundation within the meaning of Section 509(a) of the Code. Accordingly, no provision for income taxes has been made in these financial statements.

The Agency follows the income tax standard regarding the recognition and measurement of uncertain tax positions. This guidance clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. The implementation of this standard had no impact on the Agency's financial statements.

The Agency's informational tax returns are subject to review and examination by federal, state, and local authorities. The Agency is not aware of any activities that would jeopardize its tax-exempt status. The tax returns for the tax years 2010 to 2013 are open to examination by federal and state authorities.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Compensated Absences

The Agency's employees can begin accruing annual leave upon initial employment. Vacation time can be used after completing one year of service with the agency. The Agency's employees earn annual leave in varying amounts depending on the number of years and hours worked. Permanent full-time employees earn annual leave as follows:

1-5 Years	Up to 80 hours per year
Over 5 Years	Up to 120 hours per year

Accrued vacation hours are not paid out upon voluntary resignation or termination. Hours are paid out if employees are terminated due to funding or budgetary constraints. Compensated absences for vacation pay have not been accrued since they cannot be reasonably estimated. The Agency's policy is to recognize the costs of compensated absences when actually paid to employees.

**NU-HOPE ELDER CARE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to December 31, 2013 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended December 31, 2013. Management has performed their analysis through June 5, 2014, which is the date the financial statements were available to be issued.

NOTE 2 LEASE OBLIGATIONS

The Agency leases administrative and other office space on contracts ranging from one to four years. In addition, the Agency has year-to-year leases which are cancelable. Total rental expense for the year was \$63,036. The following is a schedule by years of future minimum rental payments required under non-cancelable leases.

<u>Year Ending December 31,</u>	<u>Amount</u>
2014	\$ 44,857
2015	34,932
Total	<u>\$ 79,789</u>

There are no material purchases, escalation or contingent clauses in the leases.

NOTE 3 LINES OF CREDIT

The Agency has an unsecured line of credit with a variable interest rate with a face amount of \$25,000. Interest payments on the unpaid balance are due monthly with one principal and interest payment due March 22, 2014. At December 31, 2013, the balance of the line of credit was \$-0-.

NOTE 4 CONCENTRATION OF REVENUE SOURCES

Approximately 50% of the Agency's revenue is derived from grants from the Federal government, U.S. Department of Health and Human Services passed through the West Central Florida Area Agency on Aging (which is renewed annually) and state and local funds also passed through the West Central Florida Area Agency on Aging (which is renewed annually). Approximately 18% of the Agency's revenue is derived from the Florida Agency for Health Care Administration. The current level of the Agency's operations and program services may be impacted or segments discontinued if the funding is not renewed.

**NU-HOPE ELDER CARE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 5 FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing the various programs and supporting services has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 6 COMMITMENTS AND CONTINGENCIES

Government grants require the fulfillment of certain conditions as set forth in the grant agreements. Failure to fulfill the conditions could result in the return of the funds to grantors. Based upon prior experience, management believes that disallowances, if any, would be immaterial.

**NU-HOPE ELDER CARE SERVICES, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2013**

	Program Services						In-Home Services		
	Case Management	Case Aide	Companionship	Congregate Meals	Emergency Alert Response	Home Delivered Meals	Personal Care	Homemaker	Respite
EXPENSES									
Salaries	\$ 142,031	\$ 23,496	\$ 14,466	\$ 35,608	\$ -	\$ 73,936	\$ 97,931	\$ 102,336	\$ 148,783
Payroll Taxes and Benefits	38,360	2,256	2,874	6,939	-	15,882	24,615	24,771	48,506
Travel	4,118	6	1,372	908	-	7,240	11,704	12,117	17,346
Education and Training	46	-	-	-	-	-	-	-	-
Communications and Postage	2,417	476	10	1,505	-	2,239	184	377	226
Utilities	1,066	386	-	465	-	2,088	120	168	163
Advertising	-	-	-	-	-	-	-	-	-
Insurance	1,083	17	246	950	-	2,089	716	852	1,160
Maintenance and Repair	657	260	190	254	-	268	562	674	909
Printing and Supplies	1,050	405	306	521	-	473	905	1,085	1,462
Building Cost	4,866	2,061	11	7,619	-	16,819	4,623	4,661	4,996
Equipment	-	-	-	-	-	-	-	-	-
Professional Fees, Legal, and Audit	-	-	-	30	-	300	50	-	-
Sub-Contractors	464	-	-	88,632	11,835	330,417	34,951	95,440	153,933
Program supplies	8	3	3	42	-	81	724	1,048	1,312
Depreciation	-	-	-	-	-	-	-	-	-
Other	-	-	16	-	18	61	348	227	1,509
Total Expenses	196,166	29,366	19,494	143,473	11,853	451,893	177,433	243,756	380,305
Allocation of Management and General	38,332	5,738	3,809	28,035	2,316	88,302	34,671	47,631	74,313
Total Expenses after Allocation	\$ 234,498	\$ 35,104	\$ 23,303	\$ 171,508	\$ 14,169	\$ 540,195	\$ 212,104	\$ 291,387	\$ 454,618
Total Units	2,248.00	42.50	1,015.25	17,001.00	13,298.00	70,828.00	10,342.00	14,978.25	21,024.00
Unit Cost	104.31	825.98	22.95	10.09	1.07	7.63	20.51	19.45	21.62

NU-HOPE ELDER CARE SERVICES, INC.
SCHEDULE OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

	Program Services								
	Nutrition Education	Nutrition Counseling	Outreach	Transportation	E.H.E.A.P.	Health Support	Housing Improvement	Medical Supplies/ Services	Material Aid
EXPENSES									
Salaries	\$ 3,434	\$ -	\$ 15,325	\$ 8,455	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll Taxes and Benefits	867	-	4,556	2,540	-	-	-	-	-
Travel	183	-	349	253	-	-	-	-	-
Education and Training	-	-	-	-	-	-	-	-	-
Communications and Postage	65	-	69	271	-	-	-	-	-
Utilities	60	-	65	115	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Insurance	54	-	62	86	-	-	-	-	-
Maintenance and Repair	43	-	50	72	-	-	-	-	-
Printing and Supplies	72	-	83	116	-	-	-	-	-
Building Cost	3,053	-	1,975	1,814	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-
Professional Fees, Legal, and Audit	150	2,167	-	-	-	-	-	-	-
Sub-Contractors	-	-	-	56,560	-	2,940	-	-	-
Program supplies	18	-	10	8	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	40,284	-	4,405	36,946	13,356
Total Expenses	7,999	2,167	22,544	70,290	40,284	2,940	4,405	36,946	13,356
Allocation of Management and General	1,563	423	4,405	13,735	7,872	574	863	7,219	2,610
Total Expenses after Allocation	\$ 9,562	\$ 2,590	\$ 26,949	\$ 84,025	\$ 48,156	\$ 3,514	\$ 5,268	\$ 44,165	\$ 15,966
Total Units	2,391.00	39.50	76.00	6,676.00	174.00	98.00	6.00	294.00	10.00
Unit Cost	4.00	65.57	354.59	12.59	276.76	35.86	878.00	150.22	1,596.60

**NU-HOPE ELDER CARE SERVICES, INC.
SCHEDULE OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2013**

	<u>Program Services</u>		<u>Supporting Services</u>		
	<u>Total Program Costs</u>	<u>Fund Raising</u>	<u>Management and General</u>	<u>Total Supporting Services</u>	<u>Total</u>
EXPENSES					
Salaries	\$ 665,801	\$ 119,836	\$ 228,242	\$ 348,078	\$ 1,013,879
Payroll Taxes and Benefits	172,166	24,377	49,486	73,863	246,029
Travel	55,596	1,949	3,613	5,562	61,158
Education and Training	46	156	229	385	431
Communications and Postage	7,839	3,146	6,041	9,187	17,026
Utilities	4,696	20,843	5,232	26,075	30,771
Advertising	-	228	-	228	228
Insurance	7,315	14,605	7,275	21,880	29,195
Maintenance and Repair	3,939	4,937	3,588	8,525	12,464
Printing and Supplies	6,478	3,992	4,255	8,247	14,725
Building Cost	52,498	45,010	35,158	80,168	132,666
Equipment	-	-	-	-	-
Professional Fees, Legal, and Audit	2,697	3,309	17,674	20,983	23,680
Sub-Contractors	775,172	-	-	-	775,172
Program supplies	3,257	289	15	304	3,561
Depreciation	-	23,046	1,275	24,321	24,321
Other	97,170	31,258	328	31,586	128,756
Total Expenses	1,854,670	296,981	362,411	659,392	2,514,062
Allocation of Management and General	362,411	-	(362,411)	(362,411)	-
Total Expenses after Allocation	\$ 2,217,081	\$ 296,981	\$ -	\$ 296,981	\$ 2,514,062
Total Units	N/A	N/A	N/A	N/A	N/A
Unit Cost	N/A	N/A	N/A	N/A	N/A

**NU-HOPE ELDER CARE SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2013**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA/ State CSFA Number	Contract Number	Beginning Receivable (Payable)	Cash Received	Expenditures	Ending Receivable (Payable)
FEDERAL AWARDS						
<u>U.S. Department of Health and Human Services</u>						
Passed through State of Florida -						
Department of Elder Affairs and the West Central						
Florida Area Agency on Aging						
<u>Aging Cluster</u>						
Older Americans Act Title III B - Highlands	93.044	OAA-2012-HIGH	\$ 62,995	\$ 62,995	\$ -	\$ -
Older Americans Act Title III B - Highlands	93.044	OAA-2013-HIGH	-	153,979	189,404	35,425
Older Americans Act Title III B - Hardee	93.044	OAA-2012-HAR	7,689	7,689	-	-
Older Americans Act Title III B - Hardee	93.044	OAA-2013-HAR	-	29,091	37,825	8,734
Sub-total			70,684	253,754	227,229	44,159
Older Americans Act Title III C-1 - Highlands	93.045	OAA-2012-HIGH	19,662	19,662	-	-
Older Americans Act Title III C-1 - Highlands	93.045	OAA-2013-HIGH	-	73,350	98,083	24,733
Older Americans Act Title III C-1 - Hardee	93.045	OAA-2012-HAR	2,128	2,128	-	-
Older Americans Act Title III C-1 - Hardee	93.045	OAA-2013-HAR	-	8,285	12,920	4,635
Older Americans Act Title III C-2 - Highlands	93.045	OAA-2012-HIGH	36,120	36,120	-	-
Older Americans Act Title III C-2 - Highlands	93.045	OAA-2013-HIGH	-	144,160	172,796	28,636
Older Americans Act Title III C-2 - Hardee	93.045	OAA-2012-HAR	14,267	14,267	-	-
Older Americans Act Title III C-2 - Hardee	93.045	OAA-2013-HAR	-	32,858	38,742	5,884
Sub-total			72,177	330,830	322,541	63,888
Older Americans Act Title III E - Highlands	93.052	OAA-2012-HIGH	9,345	9,345	-	-
Older Americans Act Title III E - Highlands	93.052	OAA-2013-HIGH	-	32,393	37,222	4,829
Older Americans Act Title III E - Hardee	93.052	OAA-2012-HAR	2,243	2,243	-	-
Older Americans Act Title III E - Hardee	93.052	OAA-2013-HAR	-	5,839	7,430	1,591
Sub-total			11,588	49,820	44,652	6,420

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**NU-HOPE ELDER CARE SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2013**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA/ State CSFA Number</u>	<u>Contract Number</u>	<u>Beginning Receivable (Payable)</u>	<u>Cash Received</u>	<u>Expenditures</u>	<u>Ending Receivable (Payable)</u>
FEDERAL AWARDS						
<u>U.S. Department of Health and Human Services</u>						
Passed through State of Florida -						
Department of Elder Affairs and the West Central						
Florida Area Agency on Aging						
Nutrition Services Incentive Program - Highlands	93.053	NSIP-11/12-HIGH	-	3,033	3,033	-
Nutrition Services Incentive Program - Highlands	93.053	NSIP-12/13-HIGH	11,075	30,667	19,592	-
Nutrition Services Incentive Program - Highlands	93.053	NSIP-13/14-HIGH	-	2,887	9,702	6,815
Nutrition Services Incentive Program - Hardee	93.053	NSIP-11/12-HAR	-	1,812	1,812	-
Nutrition Services Incentive Program - Hardee	93.053	NSIP-12/13-HAR	4,732	13,054	8,322	-
Nutrition Services Incentive Program - Hardee	93.053	NSIP-13/14-HAR	-	1,202	3,914	2,712
Sub-total			<u>15,807</u>	<u>52,655</u>	<u>46,375</u>	<u>9,527</u>
<u>Aging Cluster Total</u>			170,256	687,059	640,797	123,994
Emergency Home Energy Assistance for the Elderly - Highlands	93.568	EH-12/13-HIGH	10,034	19,772	9,738	-
Emergency Home Energy Assistance for the Elderly - Highlands	93.568	EH-13/14-HIGH	-	22,363	29,055	6,692
Emergency Home Energy Assistance for the Elderly - Hardee	93.568	EH-12/13-HAR	471	4,141	3,670	-
Emergency Home Energy Assistance for the Elderly - Hardee	93.568	EH-13/14-HAR	-	5,683	6,032	349
Sub-total			<u>10,505</u>	<u>51,959</u>	<u>48,495</u>	<u>7,041</u>
Total Federal Awards			<u>\$ 180,761</u>	<u>\$ 739,018</u>	<u>\$ 689,292</u>	<u>\$ 131,035</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**NU-HOPE ELDER CARE SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2013**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA/ State CSFA Number	Contract Number	Beginning Receivable (Payable)	Cash Received	Expenditures	Ending Receivable (Payable)
STATE FINANCIAL ASSISTANCE						
<u>State of Florida Department of Elder Affairs</u>						
Passed through the West Central Florida Area Agency on Aging						
Community Care for the Elderly - Highlands	65.010	CCE-12/13-HIGH	\$ 17,867	\$ 245,191	\$ 227,324	\$ -
Community Care for the Elderly - Highlands	65.010	CCE-13/14-HIGH	-	118,212	163,614	45,402
Community Care for the Elderly - Hardee	65.010	CCE-12/13-HAR	7,600	28,477	20,877	-
Community Care for the Elderly - Hardee	65.010	CCE-13/14-HAR	-	11,625	15,403	3,778
Sub-total			<u>25,467</u>	<u>403,505</u>	<u>427,218</u>	<u>49,180</u>
Alzheimer Disease Initiative - Highlands	65.004	ADI-12/13-HIGH	8,784	49,803	41,019	-
Alzheimer Disease Initiative - Highlands	65.004	ADI-13/14-HIGH	-	21,416	31,713	10,297
Alzheimer Disease Initiative - Hardee	65.004	ADI-12/13-HAR	800	4,561	3,761	-
Alzheimer Disease Initiative - Hardee	65.004	ADI-13/14-HAR	-	1,399	2,444	1,045
Sub-total			<u>9,584</u>	<u>77,179</u>	<u>78,937</u>	<u>11,342</u>
Home Care for the Elderly - Highlands	65.001	HCE-12/13-HIGH	1,324	8,139	6,815	-
Home Care for the Elderly - Highlands	65.001	HCE-13/14-HIGH	-	1,500	5,379	3,879
Home Care for the Elderly - Hardee	65.001	HCE-12/13-HAR	695	695	-	-
Home Care for the Elderly - Hardee	65.001	HCE-13/14-HAR	-	600	1,221	621
Sub-total			<u>2,019</u>	<u>10,934</u>	<u>13,415</u>	<u>4,500</u>
Total State Financial Assistance			<u>\$ 37,070</u>	<u>\$ 491,618</u>	<u>\$ 519,570</u>	<u>\$ 65,022</u>
Total Federal Awards and State Financial Assistance			<u>\$ 217,831</u>	<u>\$ 1,230,636</u>	<u>\$ 1,208,862</u>	<u>\$ 196,057</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**NU-HOPE ELDER CARE SERVICES, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2013**

NOTE 1 GENERAL INFORMATION

The accompanying schedule of expenditures of federal awards and state financial assistance presents the activities in all the federal and state financial assistance programs of Nu-Hope Elder Care Services, Inc. All financial assistance received directly from federal agencies as well as financial assistance passed through other governmental agencies or non-profit organizations are included on the schedule.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards and state financial assistance is presented using the accrual basis of accounting. The amounts reported in this schedule as expenditures may differ from certain financial reports submitted to federal funding agencies due to those reports being submitted on either a cash or modified cash basis of accounting.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal and state awards expenditures are reported on the statement of activities as program services. In certain programs, the expenditures reported in the basic financial statement may differ from the expenditures reported in the schedule of expenditures of federal awards and state financial assistance due to program expenditures exceeding grant or contract budget limitations which are not included as federal and state awards.



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**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**

Board of Directors
Nu-Hope Elder Care Services, Inc.
Sebring, 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 Nu-Hope Elder Care Services, Inc., which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 5, 2014.

Internal Control Over Financial Reporting

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


Board of Directors
Nu-Hope Elder Care Services, Inc.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Nu-Hope Elder Care Services, Inc.'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 result 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Sebring, Florida
June 5, 2014



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND CHAPTER 10.650,
RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

Board of Directors
Nu-Hope Elder Care Services, Inc.
Sebring, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Nu-Hope Elder Care Services, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of Nu-Hope Elder Care Services, Inc.'s major federal programs and state projects for the year ended December 31, 2013. Nu-Hope Elder Care Services, Inc.'s major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Nu-Hope Elder Care Services, Inc.'s major federal programs and 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.650, Rules of the Auditor General of the State of Florida. Those standards, OMB Circular A-133, and Chapter 10.650 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about Nu-Hope Elder Care Services, 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 on compliance for each major federal program and state project. However, our audit does not provide a legal determination of Nu-Hope Elder Care Services, Inc.'s compliance.

Board of Directors
Nu-Hope Elder Care Services, Inc.

Opinion on Each Major Federal Program and State Project

In our opinion, Nu-Hope Elder Care Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of Nu-Hope Elder Care Services, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Nu-Hope Elder Care Services, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and 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 federal program and state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Nu-Hope Elder Care Services, 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 or 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 federal program or 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 federal program or 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.

Purpose of this Report

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 result of that testing based on the requirements of OMB Circular A-133 and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Sebring, Florida
June 5, 2014

**NU-HOPE ELDER CARE SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS
YEAR ENDED DECEMBER 31, 2013**

A. SUMMARY OF AUDITORS' RESULTS

1. The Independent Auditors' Report expresses an unmodified opinion on the financial statements of Nu-Hope Elder Care Services, Inc.
2. No significant deficiencies and no material weaknesses relating to the audit of the financial statements were disclosed and reported in the 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*.
3. No instances of noncompliance material to the financial statements of Nu-Hope Elder Care Services, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies and no material weaknesses in internal control over the major federal award programs or state projects were disclosed and reported in the Independent Auditors' Report on Compliance with Requirements That Could Have A Direct and Material Effect on Each Major Program and State Project and on Internal Control over Compliance in Accordance with OMB Circular A-133 or Chapter 10.650, Rules of the Auditor General.
5. The independent auditors' report on compliance for the major federal award programs and major state projects for Nu-Hope Elder Care Services, Inc. expresses an unmodified opinion on all major federal programs and state projects.
6. There were no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 relative to the major federal award programs for Nu-Hope Elder Care Services, Inc.
7. There were no audit findings that are required to be reported in accordance with Chapter 10.656 relative to state projects for Nu-Hope Elder Care Services, Inc.
8. Major programs for the year ended December 31, 2013 were as follows:

CFDA/CSFA Numbers

Federal:

Aging Cluster	93.044, 93.045, 93.052 and 93.053
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State:

Community Care for the Elderly	65.010
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9. The threshold used for distinguishing between Type A and Type B programs/projects was \$300,000 for major federal programs and \$155,871 for major state projects.
10. Nu-Hope Elder Care Services, Inc. was determined to be a low-risk auditee pursuant to OMB Circular A-133.

**NU-HOPE ELDER CARE SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013**

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

None

D. FINDINGS AND QUESTIONED COSTS – MAJOR STATE PROJECTS

None

E. PRIOR YEAR FINDINGS

None

F. No Management letter, under Chapter 10.656(3)(e), Rules of the Auditor General, is required because there were no findings required to be reported in that management letter.