

**CATHEDRAL FOUNDATION  
OF  
JACKSONVILLE, INC.  
DBA AGING TRUE**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION**

**YEARS ENDED SEPTEMBER 30, 2016 and 2015**

## **CONTENTS**

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	<u>Page Number</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	5
Statements of Cash Flows	6
Notes to Financial Statements	7
SUPPLEMENTAL INFORMATION	
Independent Auditors' Report on Supplemental Information	18
Combining Schedules of Financial Position	19
Combining Schedules of Activities	21
Schedule of Revenue by Source	22
Schedule of State Earnings Required by the Department of Children and Families	23
Schedule of Related Party Transaction Adjustments Required by the Department of Children and Families	24
Schedule of Program/Cost Center Actual Expenses and Revenues Substance Abuse and Mental Health Services	25
Schedule of Expenditures of Federal Awards and State Financial Assistance	27
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 <i>GOVERNMENT AUDITING STANDARDS</i>	28
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650 RULES OF THE AUDITOR GENERAL	30
SCHEDULE OF FINDINGS – FEDERAL PROGRAMS AND STATE PROJECTS	32



**WATKINS, WARD and STAFFORD**  
Professional Limited Liability Company  
Certified Public Accountants

James L. Stafford, CPA  
Harry W. Stevens, CPA  
S. Keith Winfield, CPA  
William B. Staggers, CPA  
Michael W. McCully, CPA  
Mort Stroud, CPA  
R. Steve Sinclair, CPA  
Marsha L. McDonald, CPA  
Wanda S. Holley, CPA  
Robin Y. McCormick, CPA/PFS  
J. Randy Scrivner, CPA

Kimberly S. Caskey, CPA  
Susan M. Lammus, CPA  
Thomas J. Browder, CPA  
Stephen D. Flake, CPA  
John N. Russell, CPA  
Thomas A. Davis, CPA  
Anita L. Goodrum, CPA  
Ricky D. Allen, CPA  
Jason D. Brooks, CPA  
Robert E. Cordle, Jr., CPA  
Perry C. Rackley, Jr., CPA

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Cathedral Foundation of Jacksonville, Inc. DBA Aging True  
Jacksonville, Florida

**Report on the Financial Statements**

We have audited the accompanying financial statements of Cathedral Foundation of Jacksonville, Inc. DBA Aging True, (the "Organization") (a not-for-profit corporation), which comprise the statements of financial position as of September 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to 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 audits 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 auditors consider 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 Cathedral Foundation of Jacksonville, Inc. DBA Aging True as of September 30, 2016 and 2015, 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***

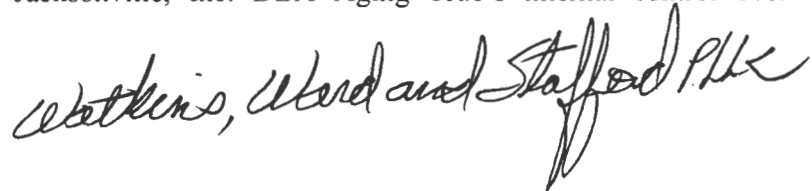
***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information presented on pages 19 through 26 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, 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*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2017, on our consideration of Cathedral Foundation of Jacksonville, Inc. DBA Aging True's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Cathedral Foundation of Jacksonville, Inc. DBA Aging True's internal control over financial reporting and compliance.

Starkville, Mississippi  
January 13, 2017



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**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE  
STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2016 and 2015**

**ASSETS**

	2016	2015
<b>CURRENT ASSETS</b>		
Cash	\$ 6,102,294	\$ 1,830,591
Employee receivables	-	500
Accounts receivable - net of allowance of \$375,000 and \$375,000, respectively	302,529	302,589
Investments	1,266	1,246
Prepaid expenses and other current assets	90,318	72,595
Food inventory	35,689	24,473
Due from affiliates	148,963	317,751
<b>TOTAL CURRENT ASSETS</b>	<b>6,681,059</b>	<b>2,549,745</b>
<b>CERTIFICATES OF DEPOSITS</b>	<b>976,634</b>	<b>976,634</b>
<b>PROPERTY AND EQUIPMENT</b>	<b>25,110,032</b>	<b>24,765,591</b>
Less: accumulated depreciation and amortization	(16,687,160)	(15,773,336)
<b>PROPERTY AND EQUIPMENT, NET</b>	<b>8,422,872</b>	<b>8,992,255</b>
<b>OTHER ASSETS</b>		
Cash - Tenant security deposits	163,671	156,038
Cash - Insurance escrow accounts	211,601	312,427
Cash - Repair and replacement reserves	1,766,936	1,654,433
Cash - Residual receipts	200,132	137,898
Deferred acquisition and loan costs - net of accumulated amortization of \$212,540 and \$190,877, respectively	72,639	94,303
<b>TOTAL OTHER ASSETS</b>	<b>2,414,979</b>	<b>2,355,099</b>
<b>TOTAL ASSETS</b>	<b>\$ 18,495,544</b>	<b>\$ 14,873,733</b>

The accompanying notes to financial statements are an integral part of these financial statements.

**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE  
STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2016 and 2015**

**LIABILITIES AND NET DEFICIT**

	2016	2015
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 676,489	\$ 839,796
Accrued salaries, payroll taxes and benefits	147,512	241,298
Accrued interest payable	8,004	8,616
Current portion of due to affiliates	458,778	18,867
Current portion of long-term debt	333,871	381,440
Current portion of capital lease	-	9,903
Deferred revenue	60,244	76,787
Line of Credit	-	300,000
<b>TOTAL CURRENT LIABILITIES</b>	1,684,898	1,876,707
<b>LONG-TERM LIABILITIES</b>		
Contribution payable	1,000,000	1,400,000
Tenant security deposits	159,604	155,359
Due to affiliates (less current portion)	-	18,867
Long-term debt (less current portion)	4,423,573	4,713,045
Flexible subsidy loans	7,019,186	7,019,186
Accrued interest - flexible subsidy loans	1,414,279	1,344,088
<b>TOTAL LONG-TERM LIABILITIES</b>	14,016,642	14,650,545
<b>TOTAL LIABILITIES</b>	15,701,540	16,527,252
<b>NET ASSETS (DEFICIT)</b>		
Permanently restricted	254,334	254,334
Unrestricted	2,539,670	(1,907,853)
<b>TOTAL NET ASSETS (DEFICIT)</b>	2,794,004	(1,653,519)
<b>TOTAL LIABILITIES AND NET DEFICIT</b>	\$ 18,495,544	\$ 14,873,733

The accompanying notes to financial statements are an integral part of these financial statements.

**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE  
STATEMENTS OF ACTIVITIES  
YEARS ENDED SEPTEMBER 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
REVENUES		
Rental revenue	\$ 3,920,402	\$ 3,859,336
Food service revenue	1,817,178	2,258,628
Administrative and bookkeeping services	1,052,322	1,001,583
Interest	187,547	172,214
Donations	189,746	289,552
Donation from affiliate	4,530,591	-
Other revenue	62,060	44,689
Self directed care program revenue	827,054	792,036
TOTAL REVENUES	<u>12,586,900</u>	<u>8,418,038</u>
EXPENSES		
Salaries, payroll taxes and benefits	2,549,782	2,432,976
Property operations and maintenance	1,699,207	1,782,655
Cost of food	1,051,535	1,278,405
General and administrative	663,263	793,627
Depreciation and amortization expense	935,487	979,020
Interest expense	298,665	315,615
Self directed care services	651,192	580,276
Insurance	256,227	268,462
Transportation, travel and training	34,019	46,657
TOTAL EXPENSES	<u>8,139,377</u>	<u>8,477,693</u>
CHANGE IN NET ASSETS (DEFICIT)	<u>4,447,523</u>	<u>(59,655)</u>
NET DEFICIT AT BEGINNING OF YEAR	<u>(1,653,519)</u>	<u>(1,593,864)</u>
NET ASSETS (DEFICIT) AT END OF YEAR	<u>\$ 2,794,004</u>	<u>\$ (1,653,519)</u>

The accompanying notes to financial statements are an integral part of these financial statements.

**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE  
STATEMENTS OF CASH FLOWS  
YEARS ENDED SEPTEMBER 30, 2016 and 2015**

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets (deficit)	\$ 4,447,523	\$ (59,655)
Adjustments to reconcile change in net deficit to net cash provided by operating activities:		
Depreciation and amortization expense	935,487	979,020
Change in operating assets and liabilities:		
Employee receivables	500	354
Accounts receivable	60	(156,841)
Prepaid expenses and other current assets	(17,723)	13,228
Due to/from affiliates, net	589,832	636,828
Other assets	(18,849)	(5,349)
Accounts payable and accrued expenses	(163,307)	(292,445)
Accrued salaries, payroll taxes and benefits	(93,786)	31,703
Accrued interest payable	(612)	(2,802)
Deferred revenue	(16,543)	39,564
Contribution payable	(400,000)	-
Tenant security deposits	4,245	4,318
Accrued interest - flexible subsidy loans	70,191	70,193
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>5,337,018</b>	<b>1,258,116</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net change in certificates of deposit and other investments	(20)	(32)
Net change in insurance escrow deposits	100,826	(7,069)
Net change in cash - repair and replacement reserves	(112,503)	64,597
Net change in cash - residual receipts	(62,234)	(27,237)
Purchase of property and equipment	(344,440)	(606,018)
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<b>(418,371)</b>	<b>(575,759)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Change in line of credit, net	(300,000)	-
Repayment of mortgages payable	(381,629)	(450,733)
Borrowing on mortgages payable	-	134,216
Borrowing on capital leases	34,685	(14,854)
<b>NET CASH (USED IN) FINANCING ACTIVITIES</b>	<b>(646,944)</b>	<b>(331,371)</b>
<b>NET INCREASE IN CASH</b>	<b>4,271,703</b>	<b>350,986</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>1,830,591</b>	<b>1,479,605</b>
<b>CASH - END OF YEAR</b>	<b>\$ 6,102,294</b>	<b>\$ 1,830,591</b>
<b>INTEREST PAID</b>	<b>\$ 228,000</b>	<b>\$ 248,000</b>

The accompanying notes to financial statements are an integral part of these financial statements.

**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of the Organization**

Cathedral Foundation of Jacksonville, Inc. (the "Organization") is a not-for-profit, 501(c)(3) corporation that provides general consulting, administrative, and food preparation services to certain of its divisions and affiliates. The Organization also provides administrative services for a self directed mental health and substance abuse program funded by the State of Florida Department of Children and Families.

The Organization has agreements with the Department of Housing and Urban Development ("HUD") for the rental of certain of the Organization's properties to individuals eligible under HUD's guidelines. These rental properties are operating divisions and are classified as senior living facilities ("SLF"). The following HUD properties are included in these financial statements:

<u>Division</u>	<u>Type of Facility</u>	<u>Number of Units</u>
Cathedral Towers	SLF	202
Cathedral Townhouse	SLF	179

333 Ashley, a Division of the Organization, owns real estate which is financed under a loan agreement with SunTrust bank and is leased to Cathedral Gerontology Center, Inc. ("CGC") which operates a 120 bed skilled nursing facility ("SNF").

All significant inter-divisional accounts and transactions have been eliminated.

The Organization shares a common Board of Directors with Cathedral Terrace, Inc., Cathedral Court, Inc., and Urban Jacksonville, Inc. ("UJI"). These affiliates' financial position and results of operations have not been included in the Organization's financial statements.

**Allowance for Uncollectible Accounts**

The Organization provides for estimated future losses to be incurred due to uncollectible receivables. The allowance is estimated based on an analysis of receivables that are past due.

**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (Continued)**

**Property and Equipment**

It is the Organization's policy to capitalize property and equipment that has a useful life extending into future periods. Purchased property and equipment in excess of \$1,000 is capitalized at cost. Effective October 1, 2012, the Organization amended its capitalization policy whereby all reserve for replacement expenditures are capitalized regardless of the purchase price. Property and equipment is depreciated using the straight-line method over their useful lives. Asset lives range from 5 years to 50 years.

**Food Service Revenue**

Fees for food services are recognized as revenue in the period services are rendered.

**Rental Revenue**

Rental revenue primarily consists of tenants' rent and HUD Section 8 Housing Assistance payments. Both are recognized as revenue when earned.

**Donated Property and Equipment and Contributions**

Donations of property and equipment are recorded as contributions at their estimated fair market value. Such donations are reported as unrestricted contributions unless the donor has restricted their use. Assets donated with explicit restrictions regarding their use are reported as restricted contributions. The Organization reclassifies the donated assets from temporarily restricted net assets to unrestricted net assets in the period of expiration of donor restrictions. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on whether any donor restrictions exist.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from these estimates.

**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Financial Statement Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards ASC958-205, *Financial Statements of Not-for-Profit Organizations*. Under ASC958-205, the Organization 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.

**NOTE 2 PROPERTY AND EQUIPMENT**

Property and equipment, including assets under capital leases, consists of the following at September 30, 2016 and 2015

	2016	2015
Land	\$ 2,605,367	\$ 2,605,367
Buildings and improvements	17,993,044	17,595,590
Equipment	4,511,621	4,564,634
	25,110,032	24,765,591
Less: accumulated depreciation and amortization	(16,687,160)	(15,773,336)
	\$ 8,422,872	\$ 8,992,255

The provision for depreciation and amortization for the years ended September 30, 2016 and 2015, amounted to approximately \$935,000 and \$979,000, respectively.

**NOTE 3 RELATED-PARTY TRANSACTIONS**

**Administrative and Bookkeeping Services**

The Organization provides routine monthly services for accounting, administrative, planning and other services to an affiliate. For the years ended September 30, 2016 and 2015, the amount charged for these services was approximately \$431,000 and \$408,000, respectively.

**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 RELATED-PARTY TRANSACTIONS (Continued)**

**Building Rental Revenue**

The Organization rents office space to an affiliate. For the years ended September 30, 2016 and 2015, the amount recorded as rental revenue for office space approximated \$205,000 and \$204,000, respectively. There is a lease between the Organization and the affiliate that expires on September 30, 2018, and it includes monthly payments of \$17,133. The lease agreement allows annual increases not to exceed 5%.

**Contribution Payable**

During the year ended September 30, 2005, the Organization pledged future contributions of funds to an affiliate. At September 30, 2007, the total amount of the pledge was \$1,800,000. At September 30, 2008, the pledge was reduced by \$400,000 to \$1,400,000, as the full amount of the pledge was no longer estimated to be needed by the affiliate. At September 30, 2016, the pledge was further reduced by \$400,000 to \$1,000,000. The Organization plans to continue reducing this balance in future years as matching funds are provided to the affiliate on an as-needed basis.

**Food Services**

The Organization provided food preparation services to an affiliate. For the years ended September 30, 2016 and 2015, the amount charged for food preparation services approximated \$790,000 and \$736,000, respectively.

**Due to or from Affiliates**

In accordance with the HUD settlement agreement, the organization agreed to pay the two affiliated HUD projects approximately \$94,000 over a 5 year period, with approximately \$19,000 due the first year. At September 30, 2016 and 2015, the amount owed to the two affiliates was approximately \$19,000 and \$38,000 respectively.

In addition, the Organization utilizes a centralized cash management system that includes an affiliate, and it pays certain combined vendor bills on behalf of that affiliate. Due to the timing of cash receipts and disbursements and operating results of the affiliate, the Organization advances and receives pay backs of advances during the year. These advances are noninterest bearing. At September 30, 2016, the amount due to this affiliate was approximately \$413,000. At September 30, 2015, the amount due from this affiliate was approximately \$318,000.

**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 EMPLOYEE BENEFIT PLAN**

The Organization provides a qualified, defined contribution plan for its employees with related costs included therein. Under the terms of the Retirement Plan Trust Agreement, the Organization may contribute up to 15% of the qualified salaries paid to eligible employees. Approximately 3% of qualifying salaries was contributed by the Organization for the calendar year ended December 31, 2016. For the fiscal years ended September 30, 2016 and 2015, the Organization's contributions were approximately \$25,000 and \$17,000, respectively.

**NOTE 5 FLORIDA UNEMPLOYMENT TAX DEPOSITS**

The Organization was granted permission by the State of Florida to reimburse the state for actual unemployment claims paid by the state. Approximately \$4,000 and \$13,000 have been accrued for possible unemployment claims at September 30, 2016 and 2015, respectively.

**NOTE 6 CERTIFICATES OF DEPOSIT**

The Organization held certificates of deposit with a financial institution at interest rates ranging from 5.05% to 5.10% and maturity dates greater than one year. As of September 30, 2016 and 2015, certificates of deposit amounted to approximately \$977,000. These certificates of deposit are pledged against the organization's line of credit (See also Note 12).

**NOTE 7 NOTE RECEIVABLE - CGC**

CGC owes the Organization a note receivable approximating \$4,023,500 as of September 30, 2016 and 2015. Interest on this loan is accrued at the current Prime rate. A loan is defined as impaired when, based on current information and events, it is probable that a creditor will be unable to collect all amounts due according to the contractual terms of the loan agreement. As of September 30, 2016 and 2015, the Organization has reserved the full balance as an allowance for amounts considered uncollectible.

**NOTE 8 CONTRACTUAL SERVICES TO CGC**

The Organization provided bookkeeping, administrative, and food preparation services to CGC under various contracts. For the fiscal years ended September 30, 2016 and 2015, the amount charged for these services was approximately \$1,354,000 and \$1,286,000, respectively.

The Organization leased a nursing home facility to CGC under a lease agreement that expires September 30, 2018, and includes monthly rent payments of \$21,500. For the years ended September 30, 2016 and 2015, the amount recorded as rental income for use of the facility was \$258,000 each year.

**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 DWELLING RENTALS**

The Organization rents housing units to individuals where the rental rates are approved by the U.S. Department of Housing and Urban Development (“HUD”) in compliance with projects whose tenants receive Section 8 rent supplements.

**NOTE 10 SURPLUS CASH**

Under HUD regulations, at the end of each fiscal year, the Organization must transfer any surplus cash of its HUD-regulated projects to certain Residual Receipts Accounts. Broadly defined, surplus cash is the sum of the project’s unrestricted cash and certain receivables less all of the project’s liabilities due within 30 days or on demand. The Cathedral Towers and Cathedral Townhouse projects had \$299,928 and \$74,034, respectively, in surplus cash as of September 30, 2016, which will be transferred to the Residual Receipts Accounts.

**NOTE 11 FLEXIBLE SUBSIDY LOANS**

The Organization has flexible subsidy loans of approximately \$7,019,000 as of September 30, 2016 and 2015, as follows:

	<u>Loan Amount</u>	<u>Origination Date</u>	<u>Due Date</u>
Cathedral Towers	\$1,990,532	01/01/93	N/A
Cathedral Towers	\$ 960,673	01/01/97	N/A
Cathedral Towers	\$ 271,934	10/01/00	N/A
Cathedral Townhouse	\$2,518,634	01/01/93	09/30/17
Cathedral Townhouse	\$1,015,796	10/12/98	09/30/17
Cathedral Townhouse	\$ 261,617	10/01/00	09/30/17

The flexible subsidy loans are secured by the Residual Receipts Fund, as defined in the regulatory agreements with HUD. Interest accrues on the loans at 1% and is payable on the due dates. Flexible subsidy loans originating on October 1, 2000 for Cathedral Towers and Cathedral Townhouse represent amounts drawn against approved loans of \$323,000 each. As of September 30, 2016 and 2015, neither loan balance had been completely drawn upon. In December 2015, a request to defer payment until alternate financing is secured on the flexible subsidy loans for Cathedral Towers was submitted to HUD. HUD has acknowledged the request; however, final approval has not been given.

**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 12 LINE OF CREDIT**

The Organization has an available line of credit from a financial institution in the amount of \$975,000. Pledged against the line of credit are certificates of deposit of approximately \$977,000. The balance outstanding on the line of credit as of September 30, 2015 was \$300,000. Due to the Organization's relatively high balance of funds on deposit with its financial institutions, the line of credit balance was paid off during 2016, and the line of credit was purposely allowed to lapse on its maturity date of August 11, 2016.

**NOTE 13 OBLIGATIONS UNDER CAPITAL LEASES**

The Organization leased equipment under a master lease agreement. The master lease agreement required monthly payments of principal and interest. The interest rate was a variable rate of Prime rate (3.25% at September 30, 2015) minus 0.25%. The basis in the assets and the liabilities under the capital leases were recorded at the present value of the future minimum lease payments at the inception of the leases. The Organization's obligation under the lease agreement was paid in full during the year ended September 30, 2016.

**NOTE 14 LONG-TERM DEBT**

On March 27, 2013, the Organization entered into a new mortgage loan agreement with SunTrust Bank to borrow up to \$2,400,000 to pay off the existing HUD guaranteed mortgage loan and to provide construction funds for renovations, both of which being related to its nursing home property. The agreement called for interest only payments for the first 15 months using an interest rate of One Month LIBOR (0.16% at September 30, 2014) plus 3.10 basis points. Monthly principal and interest payments began June 27, 2014, using a fixed interest rate of 4.64% per annum and based on a 15 year loan amortization of \$2,400,000. A balloon payment is due on March 27, 2020. At September 30, 2016 and 2015, the outstanding principal balance on the loan was approximately \$2,135,000 and \$2,254,000, respectively.

On December 7, 2016, the Organization refinanced the mortgage note that was scheduled to mature in May 2017. The note was refinanced for approximately \$2,169,000 over a period of 7 years maturing in December 2023. The terms of the refinancing call for a fixed interest rate of 4.26 with the note collateralized by the associated real property.

**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 14 LONG-TERM DEBT (Continued)**

Long-term debt of the Organization consists of the following:

	2016	2015
Mortgage note payable to a financial institution, with interest only due in monthly installments at One Month Libor plus 3.10 basis points for 15 months and thereafter monthly installments of \$18,616, including interest at the rate of 4.64% maturing March 2020, collateralized by real property.	\$ 2,134,687	\$ 2,254,317
Mortgage note payable to a financial institution, with interest due in monthly installments at 4.68% and principal payments due in monthly installments of \$10,981 and maturing May 2017, collateralized by real property. Subsequently refinanced in December 2016.	2,052,339	2,184,107
Mortgage note payable to the Housing and Home Finance Agency, due in monthly installments of \$9,834, including interest at the rate of 3%, maturing January 2016, collateralized by real property.	-	39,116
Mortgage note payable to the Housing and Home Finance Agency, due in monthly installments of \$9,031, including interest at the rate of 3%, maturing December 2021, collateralized by real property.	525,830	619,945
Note payable to SunTrust Bank, due in monthly installments of \$904, including interest at the rate of 3.25%, maturing February 2021, collateralized by vehicles.	44,588	-
	4,757,444	5,094,485
Less amounts due within a year	(333,871)	(381,440)
Total long-term debt	\$ 4,423,573	\$ 4,713,045

**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 14 LONG-TERM DEBT (Continued)**

The future principal maturities are as follows:

<u>Year Ended</u> <u>September 30,</u>	<u>Amount</u>
2017	\$ 333,871
2018	335,871
2019	349,768
2020	1,959,654
2021	248,573
Thereafter	<u>1,679,861</u>
	<u>\$ 4,907,598</u>

Future principal maturities reflect the changes resulting from the refinancing of one of the Organization's mortgage notes in December 2016.

Cash paid for interest for the years ended September 30, 2016 and 2015, amounted to approximately \$228,000 and \$248,000, respectively.

**NOTE 15 LIMITATION OF FUNDS USE**

The Organization received \$117,000 as a bequest from an estate in 1996. The bequest was placed in an interest bearing money market account and is reported in Cash in the remaining amount of \$114,708 as of September 30, 2015. The bequest limits the use of the funds to the benefit of Cathedral Towers, Cathedral Townhouse and Cathedral Terrace, Inc.

**NOTE 16 COMMITMENTS AND CONTINGENCIES**

**Risk Management**

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. The Organization carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage.

**Credit Risk**

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash, certificates of deposit, and accounts receivable. The Organization maintains its cash and certificates of deposit in bank deposit accounts which, at times, may exceed federally-insured limits. The Organization believes it is not exposed to any significant credit risk on cash and certificates of deposit.

**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 16 COMMITMENTS AND CONTINGENCIES (*Continued*)**

**HUD Audit Settlement**

In April, 2012, the Organization reached a settlement with HUD regarding an audit report issued in August 2007. The settlement agreement calls for the Organization to repay certain amounts to two affiliated senior living facilities (Cathedral Terrace, Inc. and Cathedral Court, Inc.). The amounts due the affiliates totaled approximately \$94,000 and are to be paid in equal annual installments of approximately \$19,000 over a 5 year period. The fourth payment was made in April 2016, and the balance outstanding at September 30, 2016 was approximately \$19,000.

**NOTE 17 INCOME TAXES**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, these financial statements include no provision or liability for income taxes. The Organization's open audit periods are 2014 through 2016.

In June 2006, the Financial Accounting Standards Board issued ASC 740-10 (formerly known as FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes), which prescribed a comprehensive model for how an organization should measure, recognize, present, and disclose in its financial statements uncertain tax positions that an organization has taken or expects to take on a tax return. There was no impact to the Organization's financial statements as a result of the implementation of ASC 740-10.

**NOTE 18 SUBSEQUENT EVENTS**

Events that occur after the statement of financial position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management of the Organization evaluated the activity of the company through January 13, 2017, and determined that the following subsequent event has occurred that should be included in the notes to financial statements.

In December 2016, the Organization refinanced one of its mortgage notes that was scheduled to mature in May 2017. See Note 14 for the details of the refinancing.

## **SUPPLEMENTAL INFORMATION**



**WATKINS, WARD and STAFFORD**  
 Professional Limited Liability Company  
 Certified Public Accountants

James L. Stafford, CPA	Kimberly S. Caskey, CPA
Harry W. Stevens, CPA	Susan M. Lummus, CPA
S. Keith Winfield, CPA	Thomas J. Browder, CPA
William B. Stagers, CPA	Stephen D. Flake, CPA
Michael W. McCully, CPA	John N. Russell, CPA
Mort Stroud, CPA	Thomas A. Davis, CPA
R. Steve Sinclair, CPA	Anita L. Goodrum, CPA
Marsha L. McDonald, CPA	Ricky D. Allen, CPA
Wanda S. Holley, CPA	Jason D. Brooks, CPA
Robin Y. McCormick, CPA/PFS	Robert E. Cordle, Jr., CPA
J. Randy Scrivner, CPA	Perry C. Rackley, Jr., CPA

**INDEPENDENT AUDITORS' REPORT ON**  
**SUPPLEMENTAL INFORMATION**

To the Board of Directors  
 Cathedral Foundation of Jacksonville, Inc. DBA Aging True  
 Jacksonville, Florida

Our report on our audit of the basic financial statements of Cathedral Foundation of Jacksonville, Inc. DBA Aging True (a not-for-profit corporation) for the years ended September 30, 2016 and 2015 appears on page 1. Our audit was performed for the purpose of forming an opinion on the basic financial statements of Cathedral Foundation of Jacksonville, Inc. taken as a whole. The supplemental information included herein on pages 19 to 27 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*, Chapter 691-5, Schedule of Expenditures of State Financial Assistance, Rules of the Department of Financial Services, and Chapter 10.650, Rules of the Auditor General and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Starkville, Mississippi  
 January 13, 2017

Florida Firm License #AD65746

**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE**  
**COMBINING SCHEDULES OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2016 and 2015**

	ASSETS				Total	
	Cathedral Foundation Operations	Cathedral Towers	Cathedral Townhouse	Eliminations	2016	2015
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 5,629,030	\$ 344,111	\$ 129,153	\$ -	\$ 6,102,294	\$ 1,830,591
Employee receivables	-	-	-	-	-	500
Accounts receivable, net of allowance of \$375,000 and \$375,000, respectively	272,458	21,907	8,164	-	302,529	302,589
Investments	1,266	-	-	-	1,266	1,246
Prepaid expenses and other current assets	63,173	12,993	14,152	-	90,318	72,595
Food inventory	35,689	-	-	-	35,689	24,473
Due from affiliates	122,037	12,822	14,104	-	148,963	317,751
<b>TOTAL CURRENT ASSETS</b>	<b>6,123,653</b>	<b>391,833</b>	<b>165,573</b>	<b>-</b>	<b>6,681,059</b>	<b>2,549,745</b>
<b>CERTIFICATES OF DEPOSIT</b>	<b>976,634</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>976,634</b>	<b>976,634</b>
<b>PROPERTY AND EQUIPMENT</b>	<b>11,758,845</b>	<b>6,540,721</b>	<b>6,810,466</b>	<b>-</b>	<b>25,110,032</b>	<b>24,765,591</b>
Less accumulated depreciation and amortization	5,376,412	5,418,604	5,892,144	-	16,687,160	15,773,336
<b>PROPERTY AND EQUIPMENT, NET</b>	<b>6,382,433</b>	<b>1,122,117</b>	<b>918,322</b>	<b>-</b>	<b>8,422,872</b>	<b>8,992,255</b>
<b>OTHER ASSETS</b>						
Cash - Tenant security deposits	20,643	70,996	72,032	-	163,671	156,038
Cash - Insurance escrow accounts	45,990	89,896	75,715	-	211,601	312,427
Cash - Repair and replacement reserves	-	862,860	904,076	-	1,766,936	1,654,433
Cash - residual receipts	-	116,989	83,143	-	200,132	137,898
Investment in Cathedral Towers	2,004	-	-	(2,004)	-	-
Deferred acquisition & loan costs - net of accumulated amortization of \$212,540 and \$190,877, respectively	72,639	-	-	-	72,639	94,303
<b>TOTAL OTHER ASSETS</b>	<b>141,276</b>	<b>1,140,741</b>	<b>1,134,966</b>	<b>(2,004)</b>	<b>2,414,979</b>	<b>2,355,099</b>
<b>TOTAL ASSETS</b>	<b>\$ 13,623,996</b>	<b>\$ 2,654,691</b>	<b>\$ 2,218,861</b>	<b>\$ (2,004)</b>	<b>\$ 18,495,544</b>	<b>\$ 14,873,733</b>

See Independent Auditors' Report on Supplemental Information.

**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE**  
**COMBINING SCHEDULES OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2016 and 2015**

**LIABILITIES AND NET ASSETS (DEFICIT)**

	Cathedral Foundation Operations	Cathedral Towers	Cathedral Townhouse	Eliminations	Total	
					2016	2015
<b>CURRENT LIABILITIES</b>						
Accounts payable and accrued expenses	\$ 595,710	\$ 40,175	\$ 40,604	\$ -	\$ 676,489	\$ 839,796
Accrued salaries, payroll taxes and benefits	125,606	10,450	11,456	-	147,512	241,298
Accrued interest payable	8,004	-	-	-	8,004	8,616
Current portion of due to affiliates	458,778	-	-	-	458,778	18,867
Current portion of long-term debt	239,984	-	93,887	-	333,871	381,440
Current portion of capital lease	-	-	-	-	-	9,903
Deferred revenue	46,559	5,435	8,250	-	60,244	76,787
Line of credit	-	-	-	-	-	300,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,474,641</b>	<b>56,060</b>	<b>154,197</b>	<b>-</b>	<b>1,684,898</b>	<b>1,876,707</b>
<b>LONG-TERM LIABILITIES</b>						
Contribution payable	1,000,000	-	-	-	1,000,000	1,400,000
Tenant security deposits	20,643	68,153	70,808	-	159,604	155,359
Due to affiliates (less current portion)	-	-	-	-	-	18,867
Long-term debt (less current portion)	3,991,630	-	431,943	-	4,423,573	4,713,045
Flexible subsidy loans	-	3,223,139	3,796,047	-	7,019,186	7,019,186
Accrued interest - flexible subsidy loans	-	649,619	764,660	-	1,414,279	1,344,088
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>5,012,273</b>	<b>3,940,911</b>	<b>5,063,458</b>	<b>-</b>	<b>14,016,642</b>	<b>14,650,545</b>
<b>TOTAL LIABILITIES</b>	<b>6,486,914</b>	<b>3,996,971</b>	<b>5,217,655</b>	<b>-</b>	<b>15,701,540</b>	<b>16,527,252</b>
<b>NET ASSETS (DEFICIT), DIVISIONAL NET ASSETS AND DUE TO FOUNDATION</b>	<b>7,137,082</b>	<b>(1,342,280)</b>	<b>(2,998,794)</b>	<b>(2,004)</b>	<b>2,794,004</b>	<b>(1,653,519)</b>
<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT)</b>	<b>\$ 13,623,996</b>	<b>\$ 2,654,691</b>	<b>\$ 2,218,861</b>	<b>\$ (2,004)</b>	<b>\$ 18,495,544</b>	<b>\$ 14,873,733</b>

See Independent Auditors' Report on Supplemental Information.

**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE**  
**COMBINING SCHEDULES OF ACTIVITIES**  
**YEARS ENDED SEPTEMBER 30, 2016 and 2015**

	Admin. and Service Operations	BayPointe Office Building	333 Ashley Building	Cathedral Towers	Cathedral Townhouse	Eliminations	Total	
							2016	2015
<b>REVENUES</b>								
Rental revenue	\$ -	\$ 650,754	\$ 258,000	\$ 1,711,849	\$ 1,487,256	\$ (187,457)	\$ 3,920,402	\$ 3,859,336
Food service revenue	1,817,178	-	-	-	-	-	1,817,178	2,258,628
Administrative and bookkeeping services	1,134,162	-	-	-	-	(81,840)	1,052,322	1,001,583
Interest	174,367	-	46	10,156	2,978	-	187,547	172,214
Donations	189,746	-	-	-	-	-	189,746	289,552
Donation from affiliate	4,530,591	-	-	-	-	-	4,530,591	-
Other revenue	36,090	387	-	13,192	12,391	-	62,060	44,689
Self directed care program revenue	827,054	-	-	-	-	-	827,054	792,036
<b>TOTAL REVENUES</b>	<b>8,709,188</b>	<b>651,141</b>	<b>258,046</b>	<b>1,735,197</b>	<b>1,502,625</b>	<b>(269,297)</b>	<b>12,586,900</b>	<b>8,418,038</b>
<b>EXPENSES</b>								
Salaries, payroll taxes and benefits	1,719,611	50,182	-	422,667	357,322	-	2,549,782	2,432,976
Property operations and maintenance	532,321	226,059	-	515,114	613,170	(187,457)	1,699,207	1,782,655
Cost of food	1,051,535	-	-	-	-	-	1,051,535	1,278,405
General and administrative	333,694	113,020	2,082	160,086	136,221	(81,840)	663,263	793,627
Depreciation and amortization expense	31,493	140,136	199,451	296,632	267,775	-	935,487	979,020
Interest expense	22,690	84,630	103,767	32,355	55,223	-	298,665	315,615
Self directed care services	651,192	-	-	-	-	-	651,192	580,276
Insurance	52,513	26,464	-	96,324	80,926	-	256,227	268,462
Transportation, travel and training	27,890	-	-	3,067	3,062	-	34,019	46,657
<b>TOTAL EXPENSES</b>	<b>4,422,939</b>	<b>640,491</b>	<b>305,300</b>	<b>1,526,245</b>	<b>1,513,699</b>	<b>(269,297)</b>	<b>8,139,377</b>	<b>8,477,693</b>
<b>CHANGE IN NET ASSETS (DEFICIT)</b>	<b>4,286,249</b>	<b>10,650</b>	<b>(47,254)</b>	<b>208,952</b>	<b>(11,074)</b>	<b>-</b>	<b>4,447,523</b>	<b>(59,655)</b>
<b>NET ASSETS (DEFICIT), DIVISIONAL NET ASSETS AND DUE TO FOUNDATION, BEGINNING OF YEAR</b>	<b>1,336,050</b>	<b>1,200,152</b>	<b>349,231</b>	<b>(1,551,232)</b>	<b>(2,987,720)</b>	<b>-</b>	<b>(1,653,519)</b>	<b>(1,593,864)</b>
<b>NET ASSETS (DEFICIT)</b>	<b>\$ 5,622,299</b>	<b>\$ 1,210,802</b>	<b>\$ 301,977</b>	<b>\$ (1,342,280)</b>	<b>\$ (2,998,794)</b>	<b>\$ -</b>	<b>\$ 2,794,004</b>	<b>\$ (1,653,519)</b>

See Independent Auditors' Report on Supplemental Information.

The Cathedral Foundation of Jacksonville, Inc.  
LINE ITEM OPERATING BUDGET  
YEAR 3

CONTRACT # D#678  
PERIOD FROM 10/01/10 TO 09/30/11

LINE ITEMS	OCTOBER 2010	NOVEMBER 2010	DECEMBER 2010	JANUARY 2011	FEBRUARY 2011	MARCH 2011	APRIL 2011	MAY 2011	JUNE 2011	JULY 2011	AUGUST 2011	SEPTEMBER 2011	Fiscal Year 2011 Total
I PERSONNEL SERVICES													
(a) SALARY COSTS	7,876.80	8,914.65	10,302.12	7,354.16	7,354.17	7,354.17	7,858.67	8,430.92	12,141.74	8,224.87	7,100.40	8,183.12	99,186.09
(b) FRINGE	1,841.53	1,167.73	1,599.12	1,198.71	1,190.23	1,223.43	1,261.86	700.74	847.81	726.51	715.75	698.36	13,161.78
<b>TOTAL PERSONNEL #</b>	<b>9,718.33</b>	<b>8,082.38</b>	<b>11,901.24</b>	<b>8,552.87</b>	<b>8,544.40</b>	<b>8,577.60</b>	<b>9,120.53</b>	<b>9,131.66</b>	<b>12,989.55</b>	<b>8,951.38</b>	<b>7,816.15</b>	<b>8,881.48</b>	<b>112,347.87</b>
II EXPENSES													
(a) BUILDING OCCUPANCY	166.67	166.67	166.67	166.67	166.67	166.64	166.67	166.66	166.67	166.67	166.67	166.67	2,000.00
(b) CONTRACTED EMPLOYEE SERVICES	29,826.39	28,787.68	28,792.61	28,936.05	28,480.88	29,862.48	29,823.90	29,290.31	32,254.70	28,419.26	28,822.31	31,053.33	354,269.89
(c) TRAVEL	0.00	0.00	0.00	0.00	0.00	0.00	77.37	0.00	376.88	0.00	0.00	0.00	387.53
(d) EQUIPMENT COSTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(e) FOOD SERVICES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(f) MEDICAL AND PHARMACY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(g) PARTICIPANT SERVICES	13,532.59	11,424.63	22,681.41	22,037.78	23,816.87	33,218.01	18,232.62	24,940.08	37,307.67	18,175.42	29,627.46	26,236.64	260,833.18
(h) INSURANCE	333.33	333.33	333.33	333.33	333.33	333.36	333.33	333.33	333.34	333.33	333.33	333.33	4,000.00
(i) INTEREST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(j) OPERATING SUPPLIES & EXPENSES	166.67	166.67	166.67	166.67	166.67	166.64	166.67	166.66	166.67	166.67	166.67	166.67	2,000.00
(k) OTHER	0.00	0.00	0.00	0.00	0.00	0.00	374.20	360.00	0.00	0.00	0.00	2,339.96	3,084.15
(l) DONATED ITEMS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL EXPENSES #</b>	<b>44,025.65</b>	<b>40,878.98</b>	<b>52,140.69</b>	<b>51,840.50</b>	<b>52,974.42</b>	<b>63,747.14</b>	<b>49,174.76</b>	<b>54,647.04</b>	<b>70,606.94</b>	<b>47,261.35</b>	<b>50,116.44</b>	<b>60,696.12</b>	<b>647,109.01</b>
III NONEXPENDABLE PROPERTY													
(a) EQUIPMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) PROPERTY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL NONEXPENDABLE PROPERTY #</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
IV COMPUTER HARDWARE, SOFTWARE & SERVICES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL COMPUTER EXPENSES #</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
IV ADMINISTRATION	4,836.96	4,406.52	5,771.87	5,416.50	5,536.89	6,506.23	5,246.80	5,758.08	7,523.59	5,059.15	6,023.93	6,261.98	68,351.12
<b>GRAND TOTAL #</b>	<b>\$59,580.94</b>	<b>\$53,367.86</b>	<b>\$69,903.80</b>	<b>\$65,599.87</b>	<b>\$67,055.51</b>	<b>\$78,833.97</b>	<b>\$63,542.19</b>	<b>\$69,736.78</b>	<b>\$91,119.06</b>	<b>\$61,271.88</b>	<b>\$72,956.52</b>	<b>\$75,830.58</b>	<b>\$827,808.00</b>

**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE  
SCHEDULE OF REVENUE BY SOURCE  
YEAR ENDED SEPTEMBER 30, 2016**

<u>Program Name or Other Source of Funds</u>	<u>Program Description</u>	<u>Contract Number</u>	<u>Amount</u>
Department of Children and Families	Self Directed Care	NE026	\$ 827,054
TOTAL REVENUE			<u><u>\$ 827,054</u></u>

See Independent Auditors' Report on Supplemental Information.

**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. AGING TRUE  
 SCHEDULE OF STATE EARNINGS REQUIRED BY  
 THE DEPARTMENT OF CHILDREN AND FAMILIES  
 YEAR ENDED SEPTEMBER 30, 2016**

<b>1</b>	<b>Total Expenditures</b>	<b>\$8,139,377</b>
<b>2</b>	<b>Less Other State and Federal Funds</b>	<b>\$0</b>
<b>3</b>	<b>Less Non-Match SAMH Funds</b>	<b>\$827,054</b>
<b>4</b>	<b>Less Unallowable Costs per 65E-14, F.A.C.</b>	<b>\$0</b>
<b>5</b>	<b>Total Allowable Expenditures</b> (Sum of lines 1, 2, 3, and 4)	<b>\$7,312,323</b>
<b>6</b>	<b>Maximum Available Earnings</b> (Line 5 times 75%)	<b>\$5,484,242</b>
<b>7</b>	<b>Amount of State Funds Requiring Match</b>	<b>\$0</b>
<b>8</b>	<b>Amount Due to Department</b> (Subtract line 7 from line 6)	<b>\$0</b>

See Independent Auditors' Report on Supplemental Information.

**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE  
SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENTS  
REQUIRED BY THE DEPARTMENT OF CHILDREN AND FAMILIES  
YEAR ENDED SEPTEMBER 30, 2016**

	Related Party	Allocation of Related Party Transactions Adjustment				
		State-Designated Cost Centers				
		1	2	3	.....	Total
Revenues From Grantee						
Rent	\$ -					
Services	-					
Interest	-					
Other	-					
Total Revenue From Grantee	-					
Expenses Associated with Grantee Transactions						
Personnel Services	-					
Depreciation	-					
Interest	-					
Other	-					
Total Associated Expenses	-					
Related Party Transaction Adjustment	\$ -	-	-	-	-	-

See Independent Auditors' Report on Supplemental Information.

**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE**  
**SCHEDULE OF PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES**  
**SUBSTANCE ABUSE & MENTAL HEALTH SERVICES**  
**YEAR ENDED SEPTEMBER 30, 2016**

AGENCY: CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE

**PART I - ACTUAL FUNDING SOURCES & REVENUES**

FUNDING SOURCES & REVENUES A	STATE-DESIGNATED SAMH COST CENTERS										Non-SAMH Cost Center G	Total Funding (F+G) H
	STATE SAMH-FUNDED COST CENTERS								Total for Non- State-Designated SAMH Cost Centers E	Tot. for All State- Designated SAMH Cost Centers (D+E) F		
	Self Directed Care B <sub>1,a</sub>	(CC name) B <sub>1,b</sub>	Total for Program 1 or Combined (B <sub>1,a</sub> +...+B <sub>1,d</sub> ) C <sub>1</sub>	(CC name) B <sub>2,a</sub>	(CC name) B <sub>2,b</sub>	Total for Program 2 (B <sub>2,a</sub> +...+B <sub>2,d</sub> ) C <sub>2</sub>	Total for State SAMH-Funded Cost Centers (C <sub>1</sub> +...+C <sub>2</sub> ) D					
<b>IA. TOTAL STATE SAMH FUNDING</b>												
(1) Contract #DH678	\$ 827,054	\$ -	\$ 827,054	\$ -	\$ -	\$ -	\$ 827,054	XXXXXXXXXX	\$ 827,054	XXXXXXXXXX	\$ 827,054	\$ -
(2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	XXXXXXXXXX	\$ -	XXXXXXXXXX	\$ -	\$ -
(3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	XXXXXXXXXX	\$ -	XXXXXXXXXX	\$ -	\$ -
(4)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	XXXXXXXXXX	\$ -	XXXXXXXXXX	\$ -	\$ -
(5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	XXXXXXXXXX	\$ -	XXXXXXXXXX	\$ -	\$ -
(6) From Other Districts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	XXXXXXXXXX	\$ -	XXXXXXXXXX	\$ -	\$ -
<b>TOTAL STATE SAMH FUNDING</b>	<b>\$ 827,054</b>	<b>\$ -</b>	<b>\$ 827,054</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 827,054</b>	<b>\$ -</b>	<b>\$ 827,054</b>	<b>XXXXXXXXXX</b>	<b>\$ 827,054</b>	<b>\$ -</b>
<b>IB. OTHER GOVT. FUNDING</b>												
(1) Other State Agency Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(2) Medicaid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(3) Local Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(4) Federal Grants and Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(5) In-kind from local govt. only	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOT. OTHER GOVT. FUNDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>IC. ALL OTHER REVENUES</b>												
(1) 1st & 2nd Party Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(2) 3rd Party Payments (except Medicare)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(3) Medicare	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(4) Contributions and Donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 189,746	\$ 189,746
(5) Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,570,099	\$ 11,570,099
(6) In-kind	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOT. ALL OTHER REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,759,845</b>	<b>\$ 11,759,845</b>
<b>TOTAL ACTUAL FUNDING</b>	<b>\$ 827,054</b>	<b>\$ -</b>	<b>\$ 827,054</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 827,054</b>	<b>\$ -</b>	<b>\$ 827,054</b>	<b>\$ 11,759,845</b>	<b>\$ 12,586,899</b>	<b>\$ -</b>

See Independent Auditors' Report on Supplemental Information.

**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE  
SCHEDULE OF PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES  
SUBSTANCE ABUSE & MENTAL HEALTH SERVICES  
YEAR ENDED SEPTEMBER 30, 2016**

AGENCY: **CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE**

**PART II - ACTUAL EXPENSES**

EXPENSE CATEGORIES	STATE-DESIGNATED SAMH COST CENTERS											Other Support Costs (optional)	Administration	Total Expenses (F+G+H+I+J)
	Self Directed Care			STATE SAMH-FUNDED COST CENTERS				Total for Non-State-Funded SAMH Cost Centers	Tot. for All State-Designated SAMH Cost Centers (D+E)	Non-SAMH Cost Center	Administration			
	Self Directed Care	(CC name)	Total for Program 1 or Combined (B <sub>1a</sub> * + -B <sub>1b</sub> )	(CC name)	(CC name)	Total for Program 2 (B <sub>2a</sub> * + -B <sub>2b</sub> )	Total for State SAMH-Funded Cost Centers (C <sub>1</sub> * + -C <sub>2</sub> )							
A	B <sub>1a</sub>	B <sub>1b</sub>	C <sub>1</sub>	B <sub>2a</sub>	B <sub>2b</sub>	C <sub>2</sub>	D	E	F	G	H	I	J	
<b>IIA. PERSONNEL EXPENSES</b>														
(1) Salaries	\$ 72,122	\$ -	\$ 72,122	\$ -	\$ -	\$ -	\$ 72,122	\$ -	\$ 72,122	\$ 1,542,327	\$ -	\$ 935,333	\$ 2,549,782	
(2) Fringe Benefits	\$ 9,095	\$ -	\$ 9,095	\$ -	\$ -	\$ -	\$ 9,095	\$ -	\$ 9,095	\$ 1,475,547	\$ -	\$ 214,566	\$ 1,699,208	
<b>TOTAL PERSONNEL EXPENSES =</b>	<b>\$ 81,217</b>	<b>\$ -</b>	<b>\$ 81,217</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 81,217</b>	<b>\$ -</b>	<b>\$ 81,217</b>	<b>\$ 3,017,874</b>	<b>\$ -</b>	<b>\$ 1,149,899</b>	<b>\$ 4,248,990</b>	
<b>IIB. OTHER EXPENSES</b>														
(1) Building Occupancy	\$ 2,568	\$ -	\$ 2,568	\$ -	\$ -	\$ -	\$ 2,568	\$ -	\$ 2,568	\$ -	\$ -	\$ -	\$ 2,568	
(2) Contracted Employer Services	\$ 356,826	\$ -	\$ 356,826	\$ -	\$ -	\$ -	\$ 356,826	\$ -	\$ 356,826	\$ -	\$ -	\$ -	\$ 356,826	
(3) Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,289	\$ -	\$ -	\$ 28,289	
(4) Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
(5) Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,051,535	\$ -	\$ -	\$ 1,051,535	
(6) Medical and Pharmacy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
(7) Participants Services	\$ 294,676	\$ -	\$ 294,676	\$ -	\$ -	\$ -	\$ 294,676	\$ -	\$ 294,676	\$ -	\$ -	\$ -	\$ 294,676	
(8) Insurance	\$ 5,075	\$ -	\$ 5,075	\$ -	\$ -	\$ -	\$ 5,075	\$ -	\$ 5,075	\$ 251,152	\$ -	\$ -	\$ 256,227	
(9) Interest Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 298,665	\$ -	\$ -	\$ 298,665	
(10) Operating Supplies & Expenses	\$ 1,220	\$ -	\$ 1,220	\$ -	\$ -	\$ -	\$ 1,220	\$ -	\$ 1,220	\$ 1,478,590	\$ -	\$ 118,540	\$ 1,598,350	
(11) Other	\$ 3,251	\$ -	\$ 3,251	\$ -	\$ -	\$ -	\$ 3,251	\$ -	\$ 3,251	\$ -	\$ -	\$ -	\$ 3,251	
(12) Donated Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL OTHER EXPENSES =</b>	<b>\$ 663,616</b>	<b>\$ -</b>	<b>\$ 663,616</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 663,616</b>	<b>\$ -</b>	<b>\$ 663,616</b>	<b>\$ 3,108,231</b>	<b>\$ -</b>	<b>\$ 118,540</b>	<b>\$ 3,890,387</b>	
<b>TOT. PERSONNEL &amp; OTH. EXP. =</b>	<b>\$ 744,833</b>	<b>\$ -</b>	<b>\$ 744,833</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 744,833</b>	<b>\$ -</b>	<b>\$ 744,833</b>	<b>\$ 6,126,105</b>	<b>\$ -</b>	<b>\$ 1,268,439</b>	<b>\$ 8,139,377</b>	
<b>IIC. DISTRIBUTED INDIRECT COSTS</b>														
(a) Other Support Costs (Optional)	\$ 3,444	\$ -	\$ 3,444	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
(b) Administration	\$ 78,777	\$ -	\$ 78,777	\$ -	\$ -	\$ -	\$ 78,777	\$ -	\$ 78,777	\$ 1,186,218	\$ -	\$ (1,268,439)	\$ -	
<b>TOT. DISTIND INDIRECT COSTS =</b>	<b>\$ 82,221</b>	<b>\$ -</b>	<b>\$ 82,221</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 78,777</b>	<b>\$ -</b>	<b>\$ 78,777</b>	<b>\$ 1,186,218</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>TOTAL ACTUAL OPER. EXPENSES =</b>	<b>\$ 827,054</b>	<b>\$ -</b>	<b>\$ 827,054</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 827,054</b>	<b>\$ -</b>	<b>\$ 827,054</b>	<b>\$ 7,312,323</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,139,377</b>	
<b>IID. UNALLOWABLE COSTS</b>														
<b>TOT. ALLOWABLE OPERATING EXP. =</b>	<b>\$ 827,054</b>	<b>\$ -</b>	<b>\$ 827,054</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 827,054</b>	<b>\$ -</b>	<b>\$ 827,054</b>	<b>\$ 7,312,323</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,139,377</b>	
<b>IIE. CAPITAL EXPENDITURES</b>														
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

See Independent Auditors' Report on Supplemental Information.

**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED SEPTEMBER 30, 2016**

Federal / State Agency, Pass-through Entity <u>Federal Program / State Project</u>	CFDA / CSFA <u>Number</u>	Pass-through Entity Identifying / Contract <u>Grant Number</u>	<u>Expenditures</u>	<u>Transfers to Subrecipients</u>
<b>U.S. Department of Housing and Urban Development</b>				
Supportive Housing for the Elderly	14.157		525,830	-
Operating Assistance for Troubled Multifamily Housing Projects	14.164		7,019,186	-
Section 8 Housing Assistance Payments Program - Special Allocations	14.195		<u>1,577,984</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>9,123,000</u>	<u>-</u>
<b>U.S. Department of Health and Human Services</b>				
Passed through Florida Department of Children and Families: Block Grants for Community Mental Health Services/Self Directed Care	93.958	NE026	<u>56,200</u>	<u>\$ -</u>
Total U.S. Department of Health and Human Services			<u>56,200</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 9,179,200</u>	<u>\$ -</u>
<b>Florida Department of Children and Families</b>				
Adult Community Mental Health Community Support Services/Self Directed Care	60.053	NE026	<u>\$ 770,854</u>	<u>-</u>
Total Florida Department of Children and Families			<u>770,854</u>	<u>-</u>
<b>Total Expenditures of State Financial Assistance</b>			<u>\$ 827,054</u>	<u>\$ -</u>

Note: The significant accounting policies for the accompanying schedule of expenditures of federal awards and state financial assistance are stated in Note 1 - Nature of the Organization and Summary of Significant Accounting Policies of the notes to the financial statements.

See Independent Auditors' Report on Supplemental Information.



**WATKINS, WARD and STAFFORD**  
Professional Limited Liability Company  
Certified Public Accountants

James L. Stafford, CPA  
Harry W. Stevens, CPA  
S. Keith Winfield, CPA  
William B. Stagers, CPA  
Michael W. McCully, CPA  
Mort Stroud, CPA  
R. Steve Sinclair, CPA  
Marsha L. McDonald, CPA  
Wanda S. Holley, CPA  
Robin Y. McCormick, CPA/PFS  
J. Randy Scrivner, CPA

Kimberly S. Caskey, CPA  
Susan M. Lummus, CPA  
Thomas J. Browder, CPA  
Stephen D. Flake, CPA  
John N. Russell, CPA  
Thomas A. Davis, CPA  
Anita L. Goodrum, CPA  
Ricky D. Allen, CPA  
Jason D. Brooks, CPA  
Robert E. Cordle, Jr., CPA  
Perry C. Rackley, Jr., CPA

**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**

To the Board of Directors  
Cathedral Foundation of Jacksonville, Inc. DBA Aging True  
Jacksonville, 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 Cathedral Foundation of Jacksonville, Inc., DBA Aging True (the "Organization"), (a not for profit corporation), which comprise the statements of financial position as of September 30, 2016 and 2015, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated January 13, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Cathedral Foundation of Jacksonville, Inc., DBA Aging True'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 Cathedral Foundation of Jacksonville, Inc., DBA Aging True'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.

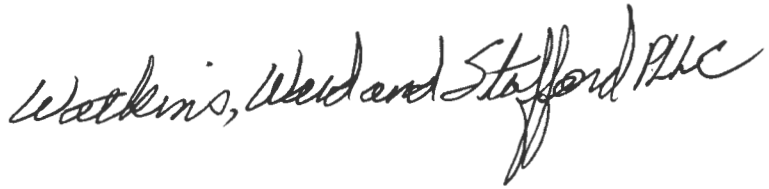
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Cathedral Foundation of Jacksonville, Inc., DBA Aging True'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 organization'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.

Starkville, Mississippi  
January 13, 2017

A handwritten signature in black ink that reads "Watkins, Ward and Stafford PLLC". The signature is written in a cursive, flowing style.

Florida Firm License #AD65746



**WATKINS, WARD and STAFFORD**  
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
 FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL  
 OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND  
 CHAPTER 10.650 RULES OF THE AUDITOR GENERAL**

To the Board of Directors  
 Cathedral Foundation of Jacksonville, Inc. DBA Aging True  
 Jacksonville, Florida

**Report on Compliance for Each Major Federal Program and State Project**

We have audited Cathedral Foundation of Jacksonville, Inc., DBA Aging True's ("the Organization") (a not for profit corporation), compliance with the types of compliance requirements described in the Uniform Guidance and the requirements described in the Executive Office of the Governor's State Projects Compliance Supplement that could have a direct and material effect on each of Cathedral Foundation of Jacksonville, Inc. DBA Aging True's major federal programs and state projects for the year ended September 30, 2016. Cathedral Foundation of Jacksonville, Inc. DBA Aging True's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings.

***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.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Cathedral Foundation of Jacksonville, Inc. DBA Aging True'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; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; Chapter 691-5, Schedule of Expenditures of State Financial Assistance, Rules of the Department of Financial Services, and Chapter 10.650 Rules of the Auditor General. Those standards, the Uniform Guidance, 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 federal program or state project occurred. An audit includes examining, on a test basis, evidence about Cathedral Foundation of Jacksonville, Inc. DBA Aging True'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 Cathedral Foundation of Jacksonville, Inc. DBA Aging True's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Cathedral Foundation of Jacksonville, Inc. DBA Aging True 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 September 30, 2016.

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

Management of Cathedral Foundation of Jacksonville, Inc. DBA Aging True 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 Cathedral Foundation of Jacksonville, Inc. DBA Aging True'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 to test and report on internal control over compliance in accordance with the Uniform Guidance and 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 Cathedral Foundation of Jacksonville, Inc. DBA Aging True's internal control over compliance.

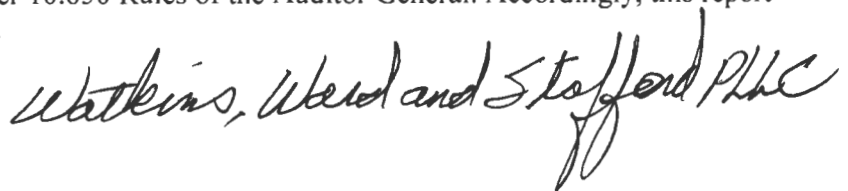
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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.

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

Starkville, Mississippi  
January 13, 2017

Florida Firm License #AD65746



**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE  
SCHEDULE OF FINDINGS –  
FEDERAL PROGRAMS AND STATE PROJECTS  
SEPTEMBER 30, 2016**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

<i>Financial Statements</i>	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ yes	___ <u>X</u> ___	no
Reportable condition(s) identified not considered to be material weaknesses	_____ yes	___ <u>X</u> ___	none reported
Noncompliance material to financial statements noted	_____ yes	___ <u>X</u> ___	no

*Federal Awards and State Financial Assistance:*

Internal control over major federal programs and/or state projects:			
Material weakness(es) identified?	_____ yes	___ <u>X</u> ___	no
Reportable condition(s) identified not considered to be material weaknesses(es)?	_____ yes	___ <u>X</u> ___	none reported

Type of auditor's report issued on compliance for major federal programs and/or state projects:	Unmodified		
Any audit findings disclosed as required by Section 200.516(a) of the Uniform Guidance Subpart F?	_____ yes	___ <u>X</u> ___	no

**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE  
SCHEDULE OF FINDINGS -  
FEDERAL PROGRAMS AND STATE PROJECTS  
SEPTEMBER 30, 2016**

**SECTION I - SUMMARY OF AUDITORS' RESULTS (Continued)**

Federal Awards and State Financial Assistance Continued

Identification of major federal programs and state projects:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
US Department of Housing and Urban Development	
Supportive Housing for the Elderly	14.157
Section 8 Housing Assistance Payments Program – Special Allocations	14.195

<u>Name of State Project</u>	<u>CSFA Number</u>
Florida Department of Children and Families	
Adult Community Mental Health Community Support Services/Self Directed Care	60.053

Dollar threshold used to distinguish between  
Type A and Type B programs for federal awards: \$750,000

Dollar threshold used to distinguish between  
Type A and Type B projects for major state  
financial assistance: \$300,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance   X   YES        NO

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No findings were reported.

**CATHEDRAL FOUNDATION OF JACKSONVILLE, INC. DBA AGING TRUE  
SCHEDULE OF FINDINGS -  
FEDERAL PROGRAMS AND STATE PROJECTS  
SEPTEMBER 30, 2016**

**SECTION III - FEDERAL AWARD and STATE FINANCIAL ASSISTANCE FINDINGS**

No findings were reported.

**SECTION IV - FEDERAL AWARDS and STATE FINANCIAL ASSISTANCE  
SUMMARY OF PRIOR AUDIT FINDINGS**

No findings were reported.

**SECTION V - FINANCIAL ASSISTANCE - MANAGEMENT LETTER**

No letter was issued.