

**SENIORS FIRST, INC. AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

**Years Ended December 31, 2018 and 2017**

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## **REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

To the Board of Directors  
Seniors First, Inc. and Affiliate  
Orlando, Florida

We have audited the accompanying consolidated financial statements of Seniors First, Inc. and Affiliate (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Directors  
Seniors First, Inc. and Affiliate

## **Opinion**

In our opinion, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Organization as of December 31, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2019, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the Organization's internal control over financial reporting and compliance.



**MOORE STEPHENS LOVELACE, P.A.**

Certified Public Accountants

Orlando, Florida  
May 28, 2019

**SENIORS FIRST, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**December 31, 2018 and 2017**

**ASSETS**

	<b>2018</b>	<b>2017</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ <b>1,699,545</b>	\$ 1,381,533
Accounts receivable, net	<b>1,174,509</b>	996,047
Certificates of deposit	<b>533,102</b>	528,091
Prepays and other assets	<b>101,201</b>	99,460
	<b>3,508,357</b>	3,005,131
<b>TOTAL CURRENT ASSETS</b>		
PROPERTY AND EQUIPMENT, net	<b>1,092,075</b>	1,206,584
<b>INVESTMENTS AND OTHER ASSETS</b>		
Contingency reserve fund	<b>253,666</b>	253,275
Funded depreciation account	<b>248,990</b>	238,797
Beneficial interest in assets held by Central Florida Foundation	<b>1,661,090</b>	1,799,659
Deposits	<b>3,250</b>	3,250
	<b>2,166,996</b>	2,294,981
<b>TOTAL INVESTMENTS AND OTHER ASSETS</b>		
	<b>\$ 6,767,428</b>	\$ 6,506,696

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ <b>463,632</b>	\$ 368,333
Accrued payroll and related expenses	<b>158,234</b>	140,808
Deferred revenue	<b>608,079</b>	491,091
	<b>1,229,945</b>	1,000,232
<b>TOTAL CURRENT LIABILITIES</b>		
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET ASSETS</b>		
Without donor restrictions	<b>5,183,384</b>	5,162,558
With donor restrictions	<b>354,099</b>	343,906
	<b>5,537,483</b>	5,506,464
<b>TOTAL NET ASSETS</b>		
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 6,767,428</b>	\$ 6,506,696

The accompanying notes are an integral part of the consolidated financial statements.

**SENIORS FIRST, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**AND CHANGES IN NET ASSETS**

**Year Ended December 31, 2018**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Grant and contract revenue	\$ 9,350,473	\$ -	\$ 9,350,473
Fundraising support	559,707	-	559,707
Other contract services	45,562	-	45,562
Fees for services	229,893	-	229,893
Contributions from program clients	11,247	-	11,247
Other income	58,022	-	58,022
Donated services and rent	582,124	-	582,124
TOTAL SUPPORT AND REVENUE	10,837,028	-	10,837,028
<b>PROGRAM AND SUPPORT SERVICES EXPENSES</b>			
Program Services			
In-home services	4,516,406	-	4,516,406
Nutrition services	2,504,474	-	2,504,474
Other	2,054,165	-	2,054,165
Support Services			
Management and general	1,349,605	-	1,349,605
Fundraising and development	244,305	-	244,305
TOTAL PROGRAM AND SUPPORT SERVICES EXPENSES	10,668,955	-	10,668,955
OPERATING INCOME	168,073	-	168,073
CHANGE IN BENEFICIAL INTEREST IN ASSETS HELD BY CENTRAL FLORIDA FOUNDATION	(137,054)	-	(137,054)
CHANGE IN NET ASSETS	31,019	-	31,019
TRANSFER OF NET ASSETS	(10,193)	10,193	-
NET ASSETS - BEGINNING OF YEAR	5,162,558	343,906	5,506,464
NET ASSETS - END OF YEAR	\$ 5,183,384	\$ 354,099	\$ 5,537,483

The accompanying notes are an integral part of the consolidated financial statements.

**SENIORS FIRST, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**AND CHANGES IN NET ASSETS (Continued)**

**Year Ended December 31, 2017**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Grant and contract revenue	\$ 7,725,712	\$ -	\$ 7,725,712
Medicaid waiver revenue	131,387	-	131,387
Fundraising support	478,801	-	478,801
Other contract services	43,835	-	43,835
Fees for services	204,457	-	204,457
Contributions from program clients	10,332	-	10,332
Other income	63,605	-	63,605
Donated services and rent	582,124	-	582,124
Net assets released from restriction	24,012	(24,012)	-
	9,264,265	(24,012)	9,240,253
<b>PROGRAM AND SUPPORT SERVICES EXPENSES</b>			
<b>Program Services</b>			
In-home services	3,734,214	-	3,734,214
Nutrition services	2,303,337	-	2,303,337
Other	1,784,014	-	1,784,014
<b>Support Services</b>			
Management and general	1,284,798	-	1,284,798
Fundraising and development	210,315	-	210,315
	9,316,678	-	9,316,678
<b>OPERATING LOSS</b>	(52,413)	(24,012)	(76,425)
<b>CHANGE IN BENEFICIAL INTEREST IN ASSETS HELD BY CENTRAL FLORIDA FOUNDATION</b>			
	221,795	-	221,795
<b>CHANGE IN NET ASSETS</b>	169,382	(24,012)	145,370
<b>TRANSFER OF NET ASSETS</b>	(13,047)	13,047	-
<b>NET ASSETS - BEGINNING OF YEAR</b>	5,006,223	354,871	5,361,094
<b>NET ASSETS - END OF YEAR</b>	\$ 5,162,558	\$ 343,906	\$ 5,506,464

The accompanying notes are an integral part of the consolidated financial statements.

**SENIORS FIRST, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**Years Ended December 31, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	<b>\$ 31,019</b>	\$ 145,370
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	<b>125,431</b>	153,961
Gain on sale of property and equipment	<b>(15,337)</b>	-
Change in beneficial interest in assets held by Central Florida Foundation	<b>137,054</b>	(221,795)
Changes in:		
Accounts receivable	<b>(178,462)</b>	113,078
Prepays and other assets	<b>(1,741)</b>	(2,964)
Accounts payable	<b>95,299</b>	(22,885)
Accrued payroll and related expenses	<b>17,426</b>	(5,681)
Deferred revenue	<b>116,988</b>	(682)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>327,677</b>	158,402
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	<b>(23,574)</b>	(19,779)
Proceeds from sale of property and equipment	<b>27,989</b>	-
Redemptions of certificates of deposit	<b>528,091</b>	525,063
Purchase of certificates of deposit and other investments	<b>(543,686)</b>	(571,057)
Contributions from Central Florida Foundation, net	<b>1,515</b>	70,604
<b>NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES</b>	<b>(9,665)</b>	4,831
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>318,012</b>	163,233
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>1,381,533</b>	1,218,300
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 1,699,545</b>	\$ 1,381,533

The accompanying notes are an integral part of the consolidated financial statements.



**SENIORS FIRST, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2018**

	Program Services			Support Services		Total Expenses
	In-Home Services	Nutrition Services	Other	Management and General	Fundraising and Development	
Salaries and Related Expenses	\$ 1,306,528	\$ 659,638	\$ 748,199	\$ 955,003	\$ 119,314	\$ 3,788,682
Contracted Services	2,847,862	-	184,406	-	-	3,032,268
Travel	61,277	26,966	9,111	6,858	2,505	106,717
Occupancy	19,918	6,277	37,578	35,296	1,503	100,572
Communications and Postage	5,644	4,328	14,389	22,461	450	47,272
Printing and Supplies	-	-	269	65,853	23,966	90,088
Equipment and Vehicles	308	102	163,026	4,271	67	167,774
Meals	-	1,476,380	34,446	-	-	1,510,826
Insurance	-	-	49,471	69,185	1,206	119,862
Professional Fees	-	4,510	1,200	102,596	72,293	180,599
Program Supplies	6,014	17,270	677,402	-	3,799	704,485
Depreciation	-	-	60,840	64,591	-	125,431
Other	2,331	41,403	25,828	23,491	19,202	112,255
Donated Services and Rent	266,524	267,600	48,000	-	-	582,124
<b>TOTAL EXPENSES</b>	<b>\$ 4,516,406</b>	<b>\$ 2,504,474</b>	<b>\$ 2,054,165</b>	<b>\$ 1,349,605</b>	<b>\$ 244,305</b>	<b>\$ 10,668,955</b>

The accompanying notes are an integral part of the consolidated financial statements.

## SENIORS FIRST, INC. AND AFFILIATE

### CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES *(Continued)*

Year Ended December 31, 2017

	Program Services			Support Services		Total Expenses
	In-Home Services	Nutrition Services	Other	Management and General	Fundraising and Development	
Salaries and Related Expenses	\$ 1,123,563	\$ 628,014	\$ 725,892	\$ 913,168	\$ 90,953	\$ 3,481,590
Contracted Services	2,254,244	-	134,274	-	-	2,388,518
Travel	63,100	27,798	10,948	4,392	827	107,065
Occupancy	15,062	4,056	37,607	23,458	1,069	81,252
Communications and Postage	7,428	5,423	10,711	24,302	746	48,610
Printing and Supplies	866	1,296	775	46,148	28,667	77,752
Equipment and Vehicles	244	77	168,716	3,589	22	172,648
Meals	-	1,355,611	-	-	-	1,355,611
Insurance	-	-	56,424	67,910	1,252	125,586
Professional Fees	-	3,960	6,988	107,009	69,321	187,278
Program Supplies	3,131	9,079	491,802	204	3,247	507,463
Depreciation	-	-	89,419	64,542	-	153,961
Other	52	423	2,458	30,076	14,211	47,220
Donated Services and Rent	266,524	267,600	48,000	-	-	582,124
<b>TOTAL EXPENSES</b>	<b>\$ 3,734,214</b>	<b>\$ 2,303,337</b>	<b>\$ 1,784,014</b>	<b>\$ 1,284,798</b>	<b>\$ 210,315</b>	<b>\$ 9,316,678</b>

The accompanying notes are an integral part of the consolidated financial statements.

# SENIORS FIRST, INC. AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2018 and 2017

### NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Nature of Organization**

Seniors First, Inc. (“Seniors First”) is a not-for-profit organization created to provide services that enhance the quality of life by maintaining the independence, dignity and social well-being of the elderly and disabled adult residents of Central Florida. Seniors First provides nutrition services, Meals on Wheels, transportation, social services, case management, in-home services, personal care, guardianship, home-maker services, and a variety of other services for the elderly and disabled. Seniors First receives funding from various sources, principally federal, state, and local grants. Seniors First also receives support and revenue from the United Way, foundations, businesses, program clients, and the general public.

In 1998, Seniors First created and incorporated Seniors First Foundation, Inc. (the “Foundation”) to attract and administer funds for the benefit of Seniors First. The Foundation and Seniors First have common board members and management and, as such, the Foundation is considered an affiliate of Seniors First.

These consolidated financial statements include the accounts of Seniors First and the Foundation (collectively, the “Organization”). All significant intercompany transactions have been eliminated in the consolidation.

#### **New Accounting Standard Adoption and Basis of Presentation**

On January 1, 2018, the Organization adopted ASC 958, *Presentation of Financial Statements of Not-for-Profit Entities* (the “New Presentation Standard”). The New Presentation Standard amends the current reporting model for not-for-profit organizations and enhances disclosures. Certain accounts in the 2017 financial statements have been reclassified to conform to the New Presentation Standard. Such reclassifications had no impact on the previously reported net assets or change in net assets.

#### **Cash and Cash Equivalents**

The Organization considers all highly liquid financial instruments with a maturity of three months or less at date of purchase to be cash and cash equivalents, except for cash and money market funds held in the contingency reserve fund and funded depreciation account.

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

**Accounts Receivable**

Accounts receivable represent amounts due from the federal and state programs, businesses, and program clients. Accounts receivable is reduced by an allowance for doubtful accounts. The Organization establishes an allowance for doubtful accounts based on a number of factors, including an analysis of the age of accounts, an assessment of general economic trends and conditions, and circumstances related to individual accounts. Changes in these estimates are charged or credited to the results of activities in the period of the change. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote (see Note 2).

**Property and Equipment**

Property and equipment, with an acquisition value of \$1,000 or more, are recorded at cost, if purchased, or at estimated fair market value if donated. Depreciation and amortization is provided using the straight-line method over the estimated useful lives of the individual assets.

The estimated lives of significant property and equipment categories are as follows:

Furniture and equipment	3 - 20 Years
Building and improvements	5 - 40 Years
Vehicles	5 - 10 Years

Certain vehicles were acquired with funds received under grants from the Florida Department of Transportation (“FDOT”) (see Note 7). The Organization retains the use of these vehicles as long as they are used to carry out the service for which the original grant was provided. The Organization expects to continue using the vehicles for their designated purpose and to retain the right to the continued use of these assets in the future. The vehicles acquired under these FDOT grants have a net book value of approximately \$146,000 and \$216,000 at December 31, 2018 and 2017, respectively.

**Net Assets**

Net assets and changes in net assets are presented based on the existence or absence of donor-imposed restrictions. In these consolidated financial statements, net assets are reported as follows:

Net Assets without Donor Restrictions: Net assets not subject to donor-imposed restrictions. At December 31, 2018 and 2017, net assets without donor restrictions included approximately \$1,915,000 and \$2,053,000, respectively, of funds designated by the Board of Directors for the contingency reserve fund and various endowments (see Note 5).

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

*Net Assets with Donor Restrictions:* Net assets subject to donor-imposed stipulations that either require assets to be maintained permanently or that can be fulfilled by actions of the Organization and/or the passage of time. Net assets with donor restrictions consist of the following as of December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Cash reserve for vehicle replacement	\$ 248,990	\$ 238,797
Permanent endowment	<u>105,109</u>	<u>105,109</u>
	<u>\$ 354,099</u>	<u>\$ 343,906</u>

The cash reserve for vehicle replacement, reflected on the consolidated statements of financial position as the funded depreciation account, is used to purchase replacement vehicles and is replenished from unrestricted cash based upon the scheduled depreciation of vehicles included in the replacement program. During the years ended December 31, 2018 and 2017, approximately \$10,000 and \$13,000, respectively, was added to the cash reserve balance and is reflected on the consolidated statements of activities and changes in net assets as transfers of net assets. No funds were withdrawn from the reserve for the purchase of vehicles during 2018 and 2017.

The permanent endowment at December 31, 2018 and 2017, represents the original contribution of \$105,109 for the Alan Litz Endowment. Income generated from the investment of the endowment may be used without restriction by the Organization, whereas, the original principal balance is to remain intact.

**Revenue Recognition**

Support received under grants and contracts with state, local, and private sources is recorded as revenue, based upon the terms of the grant or contract, which generally provide that revenue is earned when the related costs are incurred. Funds received in excess of expenditures are recorded as deferred revenue. Expenditures in excess of funds received are recorded as accounts receivable, to the extent that funds remain available under the applicable grant.

**Donated Services and Rental Space**

A significant number of unpaid volunteers donate their services in support of all program areas of the Organization. Services include delivery of meals, group activities at congregate dining sites, administrative office support, special event planning committee, and holiday gift and donation drives. No amounts have been reflected in these consolidated financial statements for these donated services.

The Organization also receives certain services for its guardianship program and utilizes space that is provided at no charge for its nutrition and Polk County programs. Based on management's estimate, the fair value of these services and rents approximated \$582,000 for each of the years ended December 31, 2018 and 2017, and is reflected in the consolidated financial statements as both revenue and expenses.

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

**Donations**

Unconditional promises to give cash and other assets are reported at fair value at the date that the contribution is received or the unconditional promise to give is made. Gifts of cash and other assets received with donor stipulations that limit the use of the donated assets are reported as a donor-restricted contribution. When a restriction ends, or the purpose of the restriction is accomplished, donor-restricted net assets are reclassified to net assets without donor restrictions and are reported as net assets released from restriction. Donor-restricted contributions whose restrictions are met within the same reporting period are reported as contributions without donor restrictions in that period.

**Income Taxes**

Seniors First and the Foundation are not-for-profit corporations organized under the laws of the state of Florida and have been granted recognition of their tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income earned in furtherance of their tax-exempt purposes is exempt from federal and state income taxes and, as a result, these consolidated financial statements include no provision or liability for income taxes.

As of December 31, 2018, with few exceptions, the Organization is no longer subject to income tax examinations by United States federal taxing authorities for any tax years prior to the past three tax years.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of functional expenses. Accordingly, certain costs are directly attributed to the specific program or supporting service, and other costs have been allocated based upon relationships of units provided, relative time spent by employees of the Organization, and other criteria.

**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 of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Fair Value of Financial Instruments**

The carrying values of the Organization's financial instruments approximate their fair value.

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

**Subsequent Events**

In preparing the consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 28, 2019, the date the consolidated financial statements were available to be issued.

**NOTE 2 - ACCOUNTS RECEIVABLE, NET**

Accounts receivable, net, consists of the following at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Receivable from state and local sources	\$ 690,799	\$ 595,009
Receivable from federal sources	467,837	370,126
Other receivables	17,212	33,357
Total accounts receivable	<u>1,175,848</u>	<u>998,492</u>
Allowance for doubtful accounts	<u>(1,339)</u>	<u>(2,445)</u>
Accounts receivable, net	<u>\$ 1,174,509</u>	<u>\$ 996,047</u>

**NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Investments consist of certificates of deposit, money market funds, and beneficial interest in assets held by the Central Florida Foundation (“CFF”). The contingency reserve fund and funded depreciation account were comprised of money market funds at December 31, 2018 and 2017.

The fair value of financial instruments is presented based upon a hierarchy of levels that prioritizes the inputs of valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Quoted market prices were used to value the Organization’s Level 1 assets and principally consist of money market funds. The Organization’s Level 2 financial instruments consist of certificates of deposit held in FDIC-insured banks, and their value is based on observable interest rates. The Organization’s Level 3 financial instruments consist of beneficial interests in assets held by CFF, the fair values of which are based on the net asset values of the related funds (see Note 5).

The cost of investments approximated their fair value at December 31, 2018 and 2017.

**NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

The following tables set forth by level, within the fair value hierarchy, the Organization's investments measured at fair value as of December 31, 2018 and 2017:

<b>Fair Value Measurements As of December 31, 2018</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Money market funds	\$ 502,656	\$ -	\$ -	\$ 502,656
Certificates of deposit	-	533,102	-	533,102
Beneficial interest in assets held by CFF	-	-	1,661,090	1,661,090
Total	<u>\$ 502,656</u>	<u>\$ 533,102</u>	<u>\$ 1,661,090</u>	<u>\$ 2,696,848</u>

<b>Fair Value Measurements As of December 31, 2017</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Money market funds	\$ 492,072	\$ -	\$ -	\$ 492,072
Certificates of deposit	-	528,091	-	528,091
Beneficial interest in assets held by CFF	-	-	1,799,659	1,799,659
Total	<u>\$ 492,072</u>	<u>\$ 528,091</u>	<u>\$ 1,799,659</u>	<u>\$ 2,819,822</u>

**NOTE 4 - LIQUIDITY AND CASH NEEDS**

The table below represents financial assets available for general expenditures within one year at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 1,699,545	\$ 1,381,533
Accounts receivable, net	1,174,509	996,047
Certificates of deposit	533,102	528,091
Contingency reserve fund	253,666	253,275
	<u>\$ 3,660,822</u>	<u>\$ 3,158,946</u>

As part of a cash and liquidity management policy, the Organization structures its financial assets to be available as its general expenditures and liabilities become due. Additionally, excess cash is invested in various investment instruments to increase earnings. The certificates of deposit mature within the year and can be converted into cash to manage any unanticipated liquidity needs. The contingency reserve fund may be drawn upon for general expenditures with board approval.



## NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD BY CFF

The Organization has transferred funds to CFF to establish five board-designated endowment funds, which are considered component funds of CFF. These endowments are invested and distributed by CFF in accordance with their investment and spending policies. These policies attempt to provide a relatively steady level of funding to programs supported by the endowments, while seeking to preserve and enhance the purchasing power of the endowment assets. The terms of the fund agreements with CFF provide, among other things, that distributions are subject to CFF's policies.

According to the terms of the agreement with CFF, under certain circumstances, the CFF Board of Directors shall have the power to modify or eliminate any restriction, limitation, or condition on the distribution of funds, including their use for any specified purposes or their distribution to specific organizations.

The following table sets forth a summary of changes in fair value of the funds for the years ended December 31, 2018 and 2017:

	Seniors Fund	Seniors First, Inc. Fund	Seniors First Foundation	Seniors First In- Home Services Fund	Judith Thames Meals on Wheels Fund	Total
Fair value at December 31, 2016	\$ 8,176	\$ 41,668	\$ 896,213	\$ 334,993	\$ 367,418	\$1,648,468
Interest and dividends	143	706	19,221	7,224	7,955	35,249
Realized and unrealized gains, net	1,217	6,049	120,790	45,313	49,747	223,116
CFF fees	(73)	(581)	(19,853)	(7,999)	(8,065)	(36,571)
Distributions	-	(1,403)	(43,500)	(13,500)	(12,200)	(70,603)
Fair value at December 31, 2017	9,463	46,439	972,871	366,031	404,855	1,799,659
Interest and dividends	191	902	20,516	7,711	8,538	37,858
Realized and unrealized losses, net	(568)	(2,642)	(75,526)	(28,377)	(31,429)	(138,542)
CFF fees	(77)	(593)	(19,546)	(8,138)	(8,134)	(36,488)
Contributions (distributions)	118	(1,515)	-	-	-	(1,397)
<b>Fair value at December 31, 2018</b>	<b>\$ 9,127</b>	<b>\$ 42,591</b>	<b>\$ 898,315</b>	<b>\$ 337,227</b>	<b>\$ 373,830</b>	<b>\$ 1,661,090</b>

## NOTE 6 - PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consists of the following at December 31, 2018 and 2017:

	2018	2017
Land	\$ 236,888	\$ 236,888
Building	1,168,520	1,168,520
Furniture and equipment	218,181	330,498
Vehicles	944,392	1,176,181
	<u>2,567,981</u>	<u>2,912,087</u>
Less accumulated depreciation	<u>(1,475,906)</u>	<u>(1,705,503)</u>
Property and equipment, net	<u>\$ 1,092,075</u>	<u>\$ 1,206,584</u>

Depreciation expense was approximately \$125,000 and \$154,000 for the years ended December 31, 2018 and 2017, respectively.

**NOTE 7 - DEFERRED REVENUE**

The Organization had programmatic grant revenue remaining to be expended in subsequent years of approximately \$608,000 and \$491,000 at December 31, 2018 and 2017, respectively.

In addition, the Organization periodically receives grants from FDOT to purchase buses for use in its programs. Under the terms of the grants, FDOT records and maintains a lien on the bus titles until they have reached their useful lives. When the useful life requirement is met, FDOT will fund replacement buses or transfer title to the Organization. Accordingly, grant revenue is being recognized over the vehicles' useful lives of five years. Grant revenue recognized in 2018 and 2017 related to the FDOT grants approximated \$-0- and \$41,000, respectively.

**NOTE 8 - CONTRACT MATCHING REQUIREMENTS**

The Title III Older Americans Act and Community Care for the Elderly and Disabled Adults programs require the Organization to provide matching cash or in-kind contributions. For the years ended December 31, 2018 and 2017, the total expenditures of these programs and related match requirement are as follows:

<u>Program Title</u>	<u>CFDA#/ CSFA#</u>	<u>2018</u>	<u>2017</u>
Title III-B, Supportive Services	93.044	<b>\$1,227,962</b>	\$ 891,648
Title III-C1, Congregate Nutrition Services	93.045	<b>576,459</b>	559,144
Title III-C2, Home Delivered Nutrition Services	93.045	<b>584,067</b>	561,500
Community Care for the Elderly	65.010	<b>4,396,754</b>	3,570,253
Total expenditures		<u><b>\$ 6,785,242</b></u>	<u>\$ 5,582,545</u>
Calculated match requirement		<u><b>\$ 753,916</b></u>	<u>\$ 620,283</u>

During the years ended December 31, 2018 and 2017, the Organization had matching amounts of approximately \$869,000 and \$835,000 consisting of contributed funds of approximately \$335,000 and \$301,000 and in-kind contribution matching of approximately \$534,000 and \$534,000, respectively.

**NOTE 9 - COMMITMENTS AND CONTINGENCIES**

**Employee Benefit Plan**

The Organization has established a defined-contribution pension plan covering all eligible employees. Employer contributions are determined on a discretionary basis ranging up to 3% of each eligible employee's salary. Contributions to the plan totaled approximately \$65,000 and \$57,000 for the years ended December 31, 2018 and 2017, respectively.

**NOTE 9 - COMMITMENTS AND CONTINGENCIES (Continued)**

**Lease Commitments**

The Organization leases certain office space. Rental expense under the leases was approximately \$30,000 and \$31,000 for the years ended December 31, 2018 and 2017, respectively. The lease terms expire in August 2020, with future minimum lease payments as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 24,000
2020	<u>16,000</u>
	<u>\$ 40,000</u>

**Credit Risk and Economic Dependence**

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, accounts receivable, certificates of deposit, and beneficial interest in assets held by CFF. The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. Management believes that the concentration of credit risk relating to accounts receivable is limited due to the nature of the receivables and the quality of the intermediaries.

The Organization performs its program services with funds received from federal, state, and local sources. A significant reduction in the level of this funding, if this were to occur, could have a negative effect on the Organization's programs and activities. Grants from federal, state, and local governmental sources represented approximately 86% and 80% of the Organization's revenues for the years ended December 31, 2018 and 2017, respectively.

Governmental funding is subject to statutory and regulatory changes, administrative rulings, interpretations of policy, intermediary determinations, and governmental funding restrictions, all of which may materially affect program reimbursement to recipient agencies. Changes in the reimbursement policies of the Nutrition and Supportive Services programs or the Community Care for the Elderly programs, as a result of legislative and regulatory actions, could adversely affect the revenues of the Organization.

## **SUPPLEMENTAL INFORMATION**



Certified Public Accountants

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**  
**ON SUPPLEMENTAL INFORMATION**

To the Board of Directors  
Seniors First, Inc. and Affiliate  
Orlando, Florida

We have audited the consolidated financial statements of Seniors First, Inc. and Affiliate (the “Organization”) as of and for the years ended December 31, 2018 and 2017, and our report thereon dated May 28, 2019, which contained an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole.

The schedule of expenditures of federal awards and schedule of expenditures of state financial assistance for the year ended December 31, 2018, appearing on pages 19 and 20, respectively, are presented for the purpose of additional analysis or to meet the requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and Chapter 10.650, *Rules of the Auditor General*, and are not a required part of the consolidated financial statements. The supplemental schedule of functional expenses by service for the year ended December 31, 2018, appearing on pages 21 and 22, is also presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A."

**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Orlando, Florida  
May 28, 2019

**SENIORS FIRST, INC. AND AFFILIATE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year Ended December 31, 2018**

<b>Federal Grantor / Pass-Through Grantor Program Title</b>	<b>Federal CFDA Number</b>	<b>Contract / Grant Number</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Health and Human Services/ Florida Department of Elder Affairs/ Area Agency on Aging of Central Florida:</b>			
<u>Aging Cluster:</u>			
Title III-B, Support Services	93.044	SR1-OAA-18	\$ 1,227,962
Title III-C1, Congregate Nutrition Services	93.045	SR1-OAA-18	576,459
Title III-C2, Home Delivered Nutrition Services	93.045	SR1-OAA-18	584,067
Nutrition Services Incentive Program	93.053	SR1-NSIP-18	<u>170,653</u>
Total Aging Cluster			<u>2,559,141</u>
Total U.S. Department of Health and Human Services			2,559,141
 <b>U.S. Department of Housing and Urban Development:</b>			
<b>Passed through Orange County</b>			
Community Development Block Grants (Nutrition)	14.218		125,768
<b>Passed through Seminole County</b>			
Community Development Block Grants (Nutrition)	14.218		<u>10,167</u>
Total U.S. Department of Housing and Urban Development			<u>135,935</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 2,695,076</u></u>

**NOTE 1 - BASIS OF PRESENTATION**

The schedule of expenditures of federal awards ("Schedule") includes the federal grant activity of Seniors First, Inc. (the "Organization"). The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in the Office of Management and Budget Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 - INDIRECT COST RATE**

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

See Report of Independent Certified Public Accountants on Supplemental Information.

**SENIORS FIRST, INC. AND AFFILIATE**

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

**Year Ended December 31, 2018**

<u>State Grantor / Pass-Through Grantor Program Title</u>	<u>State CSFA Number</u>	<u>Contract / Grant Number</u>	<u>State Expenditures</u>
<b>Florida Department of Elder Affairs</b>			
<b>Passed through Area Agency on Aging of Central Florida:</b>			
Orange County Community Care for the Elderly	65.010	SR1o-CCE-18 YR2 SR1o-CCE-19 YR1	\$ 1,066,223 921,411
Seminole County Community Care for the Elderly	65.010	SR1s-CCE-18 YR2 SR1s-CCE-19 YR1	349,313 441,183
Orange County Home Care for the Elderly	65.001	SR1o-HCE-18 YR2 SR1o-HCE-19 YR1	145,165 146,858
Seminole County Home Care for the Elderly	65.001	SR1s-HCE-18 YR2 SR1s-HCE-19 YR1	59,696 65,479
<b>Passed through Senior Connection:</b>			
Polk County Community Care for the Elderly	65.010	CCE-17/18-SFI YR 2 CCE-18/19-SFI YR 1	806,485 812,139
Polk County Home Care for the Elderly	65.001	HCE-17/18-SFI YR 2 HCE-18/19-SFI YR 1	125,971 125,118
Polk County Alzheimer's Disease Initiative	65.004	ADI-17/18-SFI YR 2 ADI-18/19-SFI YR 1	227,555 277,741
<b>Passed through Orange County:</b>			
Public Guardianship	65.003		<u>172,601</u>
Total Florida Department of Elder Affairs			<u>5,742,938</u>
TOTAL STATE FINANCIAL EXPENDITURES			<u>\$ 5,742,938</u>

**NOTE 1 - BASIS OF PRESENTATION**

The schedule of expenditures of state financial assistance ("Schedule") includes the state grant activity of Seniors First, Inc. and is presented using the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

See Report of Independent Certified Public Accountants on Supplemental Information.

# SENIORS FIRST, INC. AND AFFILIATE

## SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES BY SERVICE

**Year Ended December 31, 2018**

	Program Services								
	In-Home Services						Nutrition Services		
	Homemaker	Polk County	Case Managers	Personal Care	Respite Companion	Social Work	Home-Delivered Meals	Congregate Meals	Nutrition Education & Other
Salaries and Related Expenses	\$ 311,506	\$ 200,208	\$ 293,318	\$ 216,527	\$ 97,482	\$ 187,487	\$ 389,964	\$ 248,550	\$ 21,124
Contracted Services	269,665	1,396,323	-	166,841	1,015,033	-	-	-	-
Travel	16,960	8,764	5,906	21,191	7,123	1,333	23,036	3,354	576
Occupancy	1,635	-	10,097	1,635	-	6,551	3,573	2,704	-
Communications and Postage	824	100	1,425	824	824	1,647	2,268	2,060	-
Printing and Supplies	-	-	-	-	-	-	-	-	-
Equipment and Vehicles	48	-	106	48	-	106	58	44	-
Meals	-	-	-	-	-	-	967,141	384,040	125,199
Insurance	-	-	-	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-	2,255	2,255	-
Program Supplies	2,037	912	462	1,793	-	810	9,676	7,594	-
Depreciation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	2,331	27,314	14,089	-
Donated Services and Rent	-	266,524	-	-	-	-	30,000	237,600	-
Total Expenses Before Allocation of Management and General Expenses	602,675	1,872,831	311,314	408,859	1,120,462	200,265	1,455,285	902,290	146,899
Allocation of Management and General Expenses	87,278	271,219	45,084	59,210	162,263	29,002	210,751	130,667	21,274
Total Expenses	<u>\$ 689,953</u>	<u>\$ 2,144,050</u>	<u>\$ 356,398</u>	<u>\$ 468,069</u>	<u>\$ 1,282,725</u>	<u>\$ 229,267</u>	<u>\$ 1,666,036</u>	<u>\$ 1,032,957</u>	<u>\$ 168,173</u>
Total Units of Service (Unaudited)	30,932	79,257	11,740	19,966	61,656	11,740	237,405	99,871	29,585

(Continued)

See Report of Independent Certified Public Accountants on Supplemental Information.



# SENIORS FIRST, INC. AND AFFILIATE

## SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES BY SERVICE *(Continued)*

Year Ended December 31, 2018

	Program Services					Support Services			
	Other Services					Total Program Costs	Fundraising and Development	Management and General	Total Expenses
	Legal Assistance and Guardianship	Transportation	Non-DOEA Related Services	Polk County	Other Services				
Salaries and Related Expenses	\$ 230,332	\$ 419,660	\$ 97,990	\$ 61	\$ 156	\$ 2,714,365	\$ 119,314	\$ 955,003	\$ 3,788,682
Contracted Services	-	-	-	92,501	91,905	3,032,268	-	-	3,032,268
Travel	8,803	301	7	-	-	97,354	2,505	6,858	106,717
Occupancy	2,426	1,189	33,963	-	-	63,773	1,503	35,296	100,572
Communications and Postage	6,524	5,128	1,913	-	824	24,361	450	22,461	47,272
Printing and Supplies	-	-	269	-	-	269	23,966	65,853	90,088
Equipment and Vehicles	2,272	158,769	1,985	-	-	163,436	67	4,271	167,774
Meals	-	-	-	-	34,446	1,510,826	-	-	1,510,826
Insurance	445	39,890	9,136	-	-	49,471	1,206	69,185	119,862
Professional Fees	1,200	-	-	-	-	5,710	72,293	102,596	180,599
Program Supplies	5,754	921	2,593	348,277	319,857	700,686	3,799	-	704,485
Depreciation	-	57,593	-	-	3,247	60,840	-	64,591	125,431
Other	130	239	789	2,700	21,970	69,562	19,202	23,491	112,255
Donated Services and Rent	48,000	-	-	-	-	582,124	-	-	582,124
Total Expenses Before Allocation of Management and General Expenses	305,886	683,690	148,645	443,539	472,405	9,075,045	244,305	1,349,605	10,668,955
Allocation of Management and General Expenses	44,298	99,010	21,526	64,232	68,413	1,314,225	35,380	(1,349,605)	-
Total Expenses	<u>\$ 350,184</u>	<u>\$ 782,700</u>	<u>\$ 170,171</u>	<u>\$ 507,771</u>	<u>\$ 540,818</u>	<u>\$ 10,389,270</u>	<u>\$ 279,685</u>	<u>\$ -</u>	<u>\$ 10,668,955</u>
Total Units of Service (Unaudited)	122	63,177	638	31,510	48,811				

*(Concluded)*

See Report of Independent Certified Public Accountants on Supplemental Information.



Certified Public Accountants

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**  
**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  
Seniors First, Inc. and Affiliate  
Orlando, Florida

We have audited, 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, the consolidated financial statements of Seniors First, Inc. and Affiliate (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2018, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 28, 2019.

**Internal Control over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Directors  
Seniors First, Inc. and Affiliate

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**MOORE STEPHENS LOVELACE, P.A.**

Certified Public Accountants

Orlando, Florida  
May 28, 2019



Certified Public Accountants

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS 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  
Seniors First, Inc. and Affiliate  
Orlando, Florida

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

We have audited the compliance of Seniors First, Inc. and Affiliate (the “Organization”) with the types of compliance requirements described in the *OMB Compliance Supplement* and the Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on each of its major federal programs and state projects for the year ended December 31, 2018. The Organization’s major federal programs and state projects are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

**Management’s Responsibility**

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

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for each of the Organization’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; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”); 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 the Organization’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the Organization’s compliance.

To the Board of Directors  
Seniors First, Inc. and Affiliate

### **Opinion on Each Major Federal Program and State Project**

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to in the first paragraph of this section that could have a direct and material effect on each of its major federal programs and state projects for the year ended December 31, 2018.

### **Report on Internal Control over Compliance**


Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to in the first paragraph of this section above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or 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 or state project 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 the Organization's internal control over compliance.

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

  
**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Orlando, Florida  
May 28, 2019

**SENIORS FIRST, INC. AND AFFILIATE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2018**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

Type of auditor's report issued	<b>Unmodified</b>		
Internal control over financial reporting:			
Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____ No
Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____ None Reported
Noncompliance material to financial statements noted?	_____	Yes	_____ <u>X</u> _____ No

*Federal Awards and State Projects*

Internal control over major federal programs and state projects:			
Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____ No
Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____ None Reported
Type of auditor's report issued on compliance for major federal programs and state projects	<b>Unmodified</b>		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.650, <i>Rules of the Auditor General</i> ?	_____	Yes	_____ <u>X</u> _____ No

**SENIORS FIRST, INC. AND AFFILIATE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

**Year Ended December 31, 2018**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS (Continued)**

Federal Awards and State Projects (Continued)

Identification of major federal programs and major state projects:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Aging Cluster:	
Title III, Part B - Support Services	93.044
Title III, Part C - Nutrition Services	93.045
Nutrition Services Incentive Program	93.053
<u>Name of State Project</u>	<u>CSFA Number</u>
Community Care for the Elderly	65.010
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 programs for state projects:	\$300,000
Auditee qualified as low-risk auditee?	<u>  X  </u> Yes <u>      </u> No

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No findings were reported.

**SECTION III - FEDERAL AWARDS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS**

No findings were reported.

**SECTION IV - OTHER ISSUES**

No management letter is required because there were no findings required to be reported in the management letter.

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings.