

Financial Statements

**HOPE AND HELP CENTER OF CENTRAL
FLORIDA, INC.**

June 30, 2010

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

Financial Statements

June 30, 2010

(With Independent Auditors' Report Thereon)

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

Table of Contents

Independent Auditors' Report 1

Financial Statements:

 Statement of Financial Position 3

 Statement of Activities 4

 Statement of Functional Expenses 5

 Statement of Cash Flows 6

Notes to Financial Statements..... 7

Supplementary Information:

 Schedule of Expenditures of Federal, State and Local Awards..... 16

 Notes to Schedule of Expenditures of Federal, State and Local Awards 17

 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 18

 Independent Auditors' Report on Compliance with Requirements
 Applicable to Each Major Federal Program and Major State Project
 and on Internal Control Over Compliance in Accordance with OMB
 Circular A-133 and the Florida Single Audit Act..... 20

 Schedule of Findings and Questioned Costs..... 22

SCHAFFER, TSCHOPP, WHITCOMB, MITCHELL & SHERIDAN, LLP

Certified Public Accountants

986 Douglas Avenue, Suite 100
Altamonte Springs, Florida 32714
Phone: (407) 875-2760
Fax: (407) 875-2762

Thomas R. Tschopp, CPA
Tom V. Whitcomb, CPA

541 S. Orlando Avenue, Suite 300
Maitland, Florida 32751
Phone: (407) 839-3330
Fax: (407) 839-3660

Michael R. Schafer, CPA
Joseph P. Mitchell, CPA
Stephen J. Sheridan, CPA
Daniel M. Hinson, CPA

Independent Auditors' Report

The Board of Directors
Hope and Help Center of Central Florida, Inc.:

We have audited the accompanying statement of financial position of Hope and Help Center of Central Florida, Inc. as of June 30, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Hope and Help Center of Central Florida, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hope and Help Center of Central Florida, Inc. as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2010 on our consideration of Hope and Help Center of Central Florida, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Hope and Help Center of Central Florida, Inc. taken as a whole. The accompanying Schedule of Expenditures of Federal, State and Local Awards for the year ended June 30, 2010 (page 16) is presented for purposes of additional analysis as required by U.S. Office of Management and Budget, Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Section 215.97 of the Florida Statutes of the Florida Single Audit Act, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in 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.

Schater, Tschagg, Whittemt, Mitchell & Shuilar, LLP

Altamonte Springs, Florida
September 28, 2010

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

Statement of Financial Position

June 30, 2010

Assets

Current assets:	
Cash and cash equivalents	\$ 498,693
Investments (note 2)	29,926
Grants and awards receivable	277,729
Other current assets	4,262
	<hr/>
Total current assets	810,610
Property and equipment, net (note 3)	271,559
	<hr/>
Total assets	<u>\$ 1,082,169</u>

Liabilities and Net Assets

Current liabilities:	
Accounts payable	\$ 58,652
Accrued expenses	46,067
Accrued salaries and related benefits	83,244
	<hr/>
Total current liabilities	187,963
Unrestricted net assets	894,206
	<hr/>
Commitments (note 4)	
	<hr/>
Total liabilities and net assets	<u>\$ 1,082,169</u>

See accompanying notes to financial statements.

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

Statement of Activities

Year ended June 30, 2010

Unrestricted net assets:

Revenue and Public Support:

Revenue:

Federal financial assistance	\$ 2,397,176
State financial assistance	1,261,233
County and city awards	69,057
Project AIDS Care (Medicaid) Services	97,000
Program revenue	83,865
In-kind contributions	38,400
Investment income	9,555
Other income	4,429

Public support:

Contributions (note 5)	13,731
Special events	515,199
Less: direct benefit costs	<u>(115,906)</u>

Total revenue and public support	<u>4,373,739</u>
----------------------------------	------------------

Expenses:

Program services:

Medical case management and peer support	540,334
Health insurance continuation	2,530,226
Prevention	311,452
Pharmacy	124,760
Behavioral health services	480,700
Other client services	<u>5,556</u>

Total program services	3,993,028
------------------------	-----------

Supporting services:

General administration	272,043
Fundraising and development	<u>193,719</u>

Total expenses	<u>4,458,790</u>
----------------	------------------

Decrease in net assets	(85,051)
------------------------	----------

Net assets - beginning of year	<u>979,257</u>
--------------------------------	----------------

Net assets - end of year	<u>\$ 894,206</u>
--------------------------	-------------------

See accompanying notes to financial statements.

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

Statement of Functional Expenses

Year ended June 30, 2010

	Medical Case Management and Peer Support	Health Insurance Continuation	Prevention	Pharmacy	Behavioral Health Services	Other Client Services	Total Program Services	General Administration	Fundraising and Development	Total
Personnel costs	\$ 464,767	126,194	240,655	103,401	108,236	1,112	1,044,365	201,185	149,849	1,395,399
Advertising	-	-	-	-	-	-	-	-	348	348
Supplies	2,200	2,532	14,000	933	4,877	3,370	27,912	8,850	9,022	45,784
Telephone and telecommunications	8,034	904	6,500	1,448	3,971	-	20,857	12,634	2,219	35,710
Utilities	-	-	-	-	46	-	46	12,713	-	12,759
Direct client assistance	-	2,379,113	-	-	-	921	2,380,034	-	-	2,380,034
Books, subscription & memberships	190	-	65	-	-	-	255	160	87	502
Insurance	-	-	-	-	2,653	-	2,653	16,625	2,520	21,798
Mileage, parking and tolls	11,359	407	5,373	330	6,606	77	24,152	690	1,504	26,346
Conference, seminars and meetings	-	200	3,238	-	3,976	-	7,414	248	2,492	10,154
Postage, shipping and delivery	529	3,109	618	80	720	18	5,074	2,244	3,021	10,339
Equipment rental and maintenance	3,858	5,621	4,458	3,433	463	8	17,841	11,308	804	29,953
Minor equipment	1,042	93	1,000	-	8,800	-	10,935	1,091	-	12,026
Printing and copying	117	90	265	-	60	-	532	30	3,440	4,002
Building repairs and maintenance	33	43	80	87	526	-	769	4,970	55	5,794
Vehicle repairs	-	-	-	-	1,282	-	1,282	-	-	1,282
Depreciation	-	-	-	-	-	-	-	34,934	-	34,934
Rent, parking, other occupancy	8,784	-	2,400	-	2,100	-	13,284	-	-	13,284
Donated facilities	14,400	4,800	9,600	9,600	-	-	38,400	-	-	38,400
Staff training and development	169	169	169	-	-	-	507	1,754	-	2,261
Professional services	-	-	-	-	-	-	-	15,132	-	15,132
Contracted services	-	-	-	-	330,932	-	330,932	-	-	330,932
Computer services	285	618	1,568	261	-	-	2,732	5,275	689	8,696
Loss on disposal of property and equipment	-	-	-	-	-	-	-	-	-	-
Indirect costs from general administration	23,821	6,226	20,522	5,102	5,452	45	61,168	(70,248)	9,080	-
Miscellaneous business costs	746	107	941	85	-	5	1,884	10,006	8,589	20,479
	\$ 540,334	2,530,226	311,452	124,760	480,700	5,556	3,993,028	272,043	193,719	4,458,790

See accompanying notes to financial statements.

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

Statement of Cash Flows

Year ended June 30, 2010

Cash flows from operating activities:	
Cash received from contributions, financial assistance, special events, awards, and other	\$ 4,317,560
Cash paid to employees, vendors, and suppliers	(4,371,143)
Interest received	4,747
Net cash used in operating activities	<u>(48,836)</u>
Cash flows from investing activities:	
Acquisition of property and equipment	<u>(10,495)</u>
Net cash used in investing activities	<u>(10,495)</u>
Net decrease in cash	(59,331)
Cash - beginning of year	<u>558,024</u>
Cash - end of year	<u><u>\$ 498,693</u></u>
Reconciliation of change in net assets to net cash used in operating activities:	
Decrease in net assets	\$ (85,051)
Adjustments to reconcile change in net assets to cash used in operating activities:	
Depreciation	34,934
Unrealized gain on investments	(4,758)
Loss on disposal of property and equipment	2,442
Changes in:	
Grants and awards receivables	(32,890)
Special event costs and other current assets	33,389
Accounts payable, accrued salaries and related benefits	16,882
Deferred special event support and other deferred revenue	<u>(13,784)</u>
Net cash used in operating activities	<u><u>\$ (48,836)</u></u>

See accompanying notes to financial statements.

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

Notes to Financial Statements

June 30, 2010

(1) **Organization and Summary of Significant Accounting Policies**

(a) **Organization**

Hope and Help Center of Central Florida, Inc. (the Center or the Organization) is a not-for-profit corporation founded to provide education, referral and resource services for individuals located in the Central Florida area that are affected by Human Immunodeficiency Virus (HIV) or Acquired Immune Deficiency Syndrome (AIDS). Services include medical case management and peer mentoring, education, food pantry, emergency financial assistance, prevention, HIV testing and counseling, youth outreach, AIDS Insurance Continuation Program (AICP), pharmacy eligibility, and behavioral health services.

A significant amount of the Center's support is received in the form of Federal, State and local funding.

The Center is a tax-exempt organization under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Center is classified as other than a private foundation.

The accompanying financial statements are presented on the accrual basis and represent the financial position and results of operations of the Center.

(b) **Basis of Presentation**

Unconditional promises to give (pledges) are recorded as receivables and revenue/support and requires the Organization to distinguish between promises received for each net asset category in accordance with donor restrictions, if any.

The Center's financial statements are presented by classes of net assets based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- ◆ Unrestricted net assets---Net assets that are not subject to donor-imposed stipulations.

(Continued)

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

Notes to Financial Statements

(1) Organization and Summary of Significant Accounting Policies (Continued)

(b) Basis of Presentation (Continued)

- ◆ Temporarily restricted net assets---Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.
- ◆ Permanently restricted net assets---Net assets subject to donor-imposed stipulations that will be maintained permanently by the Organization. Donors of these assets permit the Organization to use all, or part of, the earnings on related investments for general or specific purposes. There were no permanently restricted net assets at June 30, 2010.

The Organization displays revenue in the following two natural classifications:

Revenue---Fees earned for the performance of Organization services.

Public Support---Unconditional gifts to the Organization of cash or other assets in a voluntary nonreciprocal transfer by another entity.

Revenue and public support are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

(c) Contributions

Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is received. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

(d) Investments

At June 30, 2010 the Center's investment portfolio consisted of marketable equity securities and a mutual fund carried at fair value. The Center derives the fair value of its securities based on quoted market prices.

(Continued)

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

Notes to Financial Statements

(1) Organization and Summary of Significant Accounting Policies (Continued)

(e) Deferred Special Event Support

Support collected in advance of special events is deferred until the event is held and the cost of the event is incurred. Amounts received in excess of the costs of the benefit provided to the participants, are considered contributions and are recognized as received.

(f) Donated Services

The Center recognizes donated services that are provided by entities or persons possessing specialized skills if the services would have been purchased if not for their donation. These services are recognized in the financial statements at their fair value. The Center received no such donated services during the year ended June 30, 2010.

(g) Donated Materials and Facilities

Donated materials and facilities are recorded at fair value unless they pass through the Center to charitable recipients (i.e., food and clothing). Such values are recorded in the financial statements as both revenue and expense. During the year ended June 30, 2010, the Center received donated materials and facilities in the amount of approximately \$38,400.

(h) Concentration of Credit Risk

At various times during the year ended June 30, 2010, the Center had cash in banks exceeding federally insured limits.

(i) Property and Equipment

Property and equipment acquisitions in excess of \$500 are recorded at cost when purchased and at fair value on the date of donation when donated. Depreciation is recognized using the straight-line method over estimated useful lives as follows:

<u>Asset</u>	<u>Life</u>
Building and building improvements	30 years
Equipment and furniture	5 years
Vehicles	5 years

(Continued)

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

Notes to Financial Statements

(1) **Organization and Summary of Significant Accounting Policies (Continued)**

(j) **Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and support services.

(k) **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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(l) **Deferred Revenue**

Cash receipts that are received for an event that takes place after year-end will be treated as deferred revenue. This amount will be based on the cost of the event per person with the remaining amount of the cash receipt representing a donation.

(m) **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Center considers highly liquid investments in demand deposit and money market accounts to be cash equivalents.

(n) **Fair Value Measurements**

On July 1, 2008, the Center adopted new accounting standards for fair value measurements, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements of assets and liabilities to include disclosure about inputs used in the determination of fair value using the three categories listed below.

These accounting standards apply under other accounting pronouncements previously issued by the Financial Accounting Standards Board, or FASB, which require or permit fair measurements. The adoption of the new accounting standards did not impact the Center's financial position or results of operations.

(Continued)

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

Notes to Financial Statements

(1) Organization and Summary of Significant Accounting Policies (Continued)

(n) Fair Value Measurements (Continued)

Fair value is defined under “Fair Value Measurements and Disclosures,” FASB Accounting Standards Codification Topic 820 (Topic 820) as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. Topic 820 also establishes a three-level hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels of inputs to the valuation methodology are:

- Level 1 quoted prices (unadjusted) for an identical asset or liability in an active market.
- Level 2 quoted prices for a similar asset or liability in an active market or model-derived valuations in which all significant inputs are observable for substantially the full term of the asset or liability.
- Level 3 unobservable and significant to the fair value measurement of the asset or liability.

The Center’s financial instruments measured at fair value on a recurring basis subject to the disclosure requirements of Topic 820 at June 30, 2010 were as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value as of June 30, 2010
Investments	<u>\$ 29,926</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,926</u>

(Continued)

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

Notes to Financial Statements

(1) Organization and Summary of Significant Accounting Policies (Continued)

(n) Fair Value Measurements (Continued)

The Center's non-financial assets measured at fair value on a non-recurring basis subject to the disclosure requirements of Topic 820 at June 30, 2010 were as follows:

	<u>Year ended June 30, 2010</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Long-lived assets held and used	\$ 575,902	575,902

(o) Fair Value of Instruments

The Center's financial instruments are cash and cash equivalents, short-term investments, prepaid expenses, short-term receivables, accounts payable, accrued expenses, deferred revenue and other liabilities. The recorded values of cash and cash equivalents, short-term investments, prepaid expenses, short-term receivables, accounts payable, accrued expenses, deferred revenue, and other liabilities approximate their fair value based on their short-term nature.

(p) Long-Lived Assets

In accordance with "Property, Plant and Equipment – Impairment or Disposal of Long-Lived assets," FASB Codification Topic 360-10 (Topic 360-10), long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, the Center first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market value and third-party independent appraisals, as considered necessary. No impairment charges have been recorded in the accompanying financial statements related to long-lived assets.

(Continued)

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

Notes to Financial Statements

(1) Organization and Summary of Significant Accounting Policies (Continued)

(q) Subsequent Events

In preparing these financial statements, the Center has evaluated subsequent events through September 28, 2010, which is the date their financial statements were issued. All subsequent events requiring recognition as of September 28, 2010 have been incorporated into those financial statements.

(2) Investments

The following table summarizes the Center's investments at June 30, 2010:

	<u>Cost</u>	<u>Fair Value</u>
Equity securities	\$ 6,970	21,245
Growth and income fund	10,000	8,681
	<u>\$ 16,970</u>	<u>29,926</u>

Investment gains as reported in the accompanying statements of activities include unrealized gains of \$4,758 in 2010 associated with the investments reflected herein.

(3) Property and Equipment

Property and equipment is comprised of the following at June 30, 2010:

Land	\$ 103,500
Building and improvements	215,404
Equipment and furniture	171,483
Vehicles	<u>85,515</u>
	575,902
Less accumulated depreciation	<u>(304,343)</u>
Property and equipment, net	<u>\$ 271,559</u>

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

Notes to Financial Statements

(4) Lease Commitments

The Organization leases equipment under long-term non-cancelable operating leases. Rental expense for all operating leases consisting of long-term and month-to-month leases was approximately \$83,000 for the year ended June 30, 2010, which includes approximately \$38,000 of in-kind rental expense. Future minimum payments applicable to long-term non-cancelable leases in excess of one year subsequent to June 30, 2010 are as follows:

<u>Year ending June 30,</u>	
2011	\$ 33,104
2012	20,584
2013	19,284
2014	19,284
2015	9,642

(5) Uncollectible Pledge Receivable

During the year ended June 30, 2010 the Center wrote off a pledge receivable from one donor which had been recorded in a previous year. This uncollectible pledge of approximately \$85,000 has been charged against contributions in the accompanying Statement of Activities.

SUPPLEMENTARY INFORMATION

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

Supplementary Information

Schedule of Expenditures of Federal, State and Local Awards

Year ended June 30, 2010

Grantor/Pass-Through Agency/Program	Pass-through Grantor	Period of Award	Federal CFDA/ State CSEA No.	Contract No.	Amount of Award	Expenditures
U.S. Department of Health & Human Services:						
HIV-Emergency Relief Project Grants, Part A of the Ryan White HIV/AIDS Treatment Modernization Act of 2006						
Case Management and Psychosocial Support Services	(1)	3/1/09 to 2/28/10	93.914	Y7-154G	360,734	\$ 264,354
Case Management and Psychosocial Support Services	(1)	3/1/10 to 2/28/11	93.914	Y10-189A-DG	361,000	128,355
Pharmacy Eligibility	(1)	3/1/09 to 2/28/10	93.914	Y9-159H	90,000	62,245
Pharmacy Eligibility	(1)	3/1/10 to 2/28/11	93.914	Y9-159H	600,000	26,760
AICP Insurance	(1)	10/1/09 to 2/28/11	93.914	Y10-118	320,000	215,120
						\$ 696,834
HIV Prevention Activities - Health Department Based, Part D of the Ryan White HIV/AIDS Treatment Modernization Act of 2006						
Youth Outreach/Hug Me Program	(3)(4)(5)	8/1/08 to 7/31/09	93.153	6H12HA6062-10-00	62,425	\$ 5,202
Youth Outreach/Hug Me Program	(3)(4)(5)	8/1/09 to 9/30/09	93.153	6H12HA6062-10-00	62,425	10,404
Youth Outreach/Hug Me Program	(3)(4)	10/1/09 to 7/31/10	93.153	OA126	52,384	47,146
						\$ 62,752
HIV Care Formula Grants, Part B of the Ryan White HIV/AIDS Treatment Modernization Act of 2006						
Pharmacy Eligibility	(3)(2)	4/1/09 to 3/31/10	93.917	CODP7	71,000	\$ 53,250
Health Insurance	(3)(2)	4/1/10 to 9/30/10	93.917	CODW9-7S	60,000	42,582
Pharmacy	(3)(2)	7/1/09 to 6/30/10	93.917	CODR3	54,596	10,778
Health Insurance	(3)(2)	7/1/09 to 6/30/10	93.917	CODR3	10,000	10,000
AICP Insurance	(3)(4)	7/1/09 to 6/30/10	93.917	-	865,636	865,636
Closing the Gap Program	(3)	7/1/09 to 6/30/10	93.917	CODS2	120,000	120,000
						\$ 1,102,246
State of Florida Department of Health:						
African American Testing Initiative	(3)	9/30/08 to 9/29/10	93.940	OA-808	63,000	\$ 15,750
African American Testing Initiative	(3)	9/30/09 to 9/29/10	93.940	OA-121	75,000	55,143
						\$ 70,895
Substance Abuse and Mental Health Services Administration:						
SHOUT Program	-	9/30/08 to 9/30/09	93.243	5H79TIO18901-02	583,827	\$ 100,202
SHOUT Program	-	9/30/09 to 9/30/10	93.243	5H79TIO18901-03	485,665	364,249
						\$ 464,451
Total Federal Awards						\$ 2,397,176
State of Florida General Revenue Fund - AICP Insurance						
Total State Awards	(4)	7/1/09 to 6/30/10	-	-	1,261,233	\$ 1,261,233
Orange County, Florida - Department of Health and Family Services:						
CRP Grant	-	10/1/08 to 9/30/09	-	Y9-2017	86,250	\$ 20,967
CRP Grant	-	10/1/09 to 9/30/10	-	Y10-2017	77,625	48,090
						\$ 69,057
Total Local Awards						\$ 69,057

Key to Pass-Through Entity Identification:

- (1) Orange County, Florida - Department of Health and Family Services
- (2) Heart of Florida United Way
- (3) State of Florida Department of Health
- (4) Health Council of South Florida, Inc.
- (5) Orlando Regional Health Care
- (6) State of Florida General Revenue Fund

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

Notes to the Schedule of Expenditures of Federal, State and Local Awards

Year ended June 30, 2010

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal, State and Local Awards presents the activity of all federal, state and local financial assistance and federal, state and local cost reimbursement contracts of Hope and Help Center of Central Florida, Inc. Hope and Help Center of Central Florida, Inc. receives federal and state awards indirectly through pass-through entities. Local awards are received directly from entities.

Federal program and state and local project expenditures included in the accompanying schedule are presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 215.97 of the Florida Statutes of the Florida Single Audit Act and Chapter 691-5, Rules of the Florida Department of Financial Services, Florida Administrative Code, Schedule of Expenditures of State Financial Assistance.

(2) Major Programs

Major programs are identified in the Summary of Audit Results section of the Schedule of Findings and Questioned Costs.

986 Douglas Avenue, Suite 100
Altamonte Springs, Florida 32714
Phone: (407) 875-2760
Fax: (407) 875-2762

Thomas R. Tschopp, CPA
Tom V. Whitcomb, CPA

541 S. Orlando Avenue, Suite 300
Maitland, Florida 32751
Phone: (407) 839-3330
Fax: (407) 839-3660

Michael R. Schafer, CPA
Joseph P. Mitchell, CPA
Stephen J. Sheridan, CPA
Daniel M. Hinson, 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
Hope and Help Center of Central Florida, Inc.

We have audited the financial statements of Hope and Help Center of Central Florida, Inc. (the "Center") as of and for the year ended June 30, 2010, and have issued our report thereon dated September 28, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Hope and Help Center of Central Florida, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

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

Compliance and Other Matters

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

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

Schatz, Tschoy, Whitcomb, Mitchell & Shulman, LLP

Altamonte Springs, Florida
September 28, 2010

986 Douglas Avenue, Suite 100
Altamonte Springs, Florida 32714
Phone: (407) 875-2760
Fax: (407) 875-2762

Thomas R. Tschopp, CPA
Tom V. Whitcomb, CPA

541 S. Orlando Avenue, Suite 300
Maitland, Florida 32751
Phone: (407) 839-3330
Fax: (407) 839-3660

Michael R. Schafer, CPA
Joseph P. Mitchell, CPA
Stephen J. Sheridan, CPA
Daniel M. Hinson, CPA

**Independent Auditors' Report on Compliance with Requirements Applicable to
Each Federal Major Program and Major State Project and on Internal Control Over
Compliance in Accordance with OMB Circular A-133 and the Florida Single Audit Act**

To the Board of Directors
Hope and Help Center of Central Florida, Inc.

Compliance

We have audited the compliance of Hope and Help Center of Central Florida, Inc., with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and in the State of Florida *State Projects Compliance Supplement* that are applicable to its major federal program and major state project for the year ended June 30, 2010. Hope and Help Center of Central Florida, Inc.'s major federal program and major state project are identified in the summary of the auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program and major state project is the responsibility of Hope and Help Center of Central Florida, Inc.'s management. Our responsibility is to express an opinion on compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Section 215.97 of the Florida Statutes of the Florida Single Audit Act. Those standards, OMB Circular A-133 and the Florida Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Hope and Help Center of Central Florida, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Hope and Help Center of Central Florida, Inc.'s compliance with those requirements.

In our opinion, Hope and Help Center of Central Florida, Inc. complied, in all material respects, with the requirements referred to above that are applicable to its major federal program and major state project for the year ended June 30, 2010.

Internal Control Over Compliance

The Management of Hope and Help Center of Central Florida, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Hope and Help Center of Central Florida, Inc.'s internal control over compliance with requirements that could have a direct material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Hope and Help Center of Central Florida, Inc.'s internal control over compliance.

A control deficiency in an organization's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the organization's internal control.

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

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

Schaker, Tschagg, Whitcomb, Mitchell & Shuilen, LLP

Altamonte Springs, Florida
September 28, 2010

Hope and Help Center of Central Florida, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

A. Summary of the Audit Results

1. The Auditors' report expresses an unqualified opinion on the financial statements of Hope and Help Center of Central Florida, Inc.
2. No significant deficiencies were disclosed during the audit of the financial statements and is reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of Hope and Help Center of Central Florida, Inc. were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over the major federal award program and the major state project were disclosed during the audit in the Independent Auditors' Report on Compliance with Requirements Applicable to Each Federal Major Program and Major State Project and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and the Florida Single Audit Act.
5. The auditors' report on compliance for the major federal award program and major state project for Hope and Help Center of Central Florida, Inc. expresses an unqualified opinion on the major federal program and major state project.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General (See AG Rule 10.654(1)(h)(4)) are reported in this schedule.
7. The programs tested as major federal programs were CFDA # 93.914 - HIV Emergency Relief Project Grants, Part A of the Ryan White HIV/AIDS Treatment Modernization Act of 2006 and CFDA # 93.243 - SHOUT Program under the U.S. Department of Health and Human Services. The program tested as a major state project was the AIDS Insurance Continuation Program under the State of Florida General Revenue Fund.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Hope and Help Center of Central Florida, Inc. was determined to be a low-risk auditee.

Hope and Help Center of Central Florida, Inc.
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2010

B. Financial Statement Findings

1. No matters reported.

C. Major Federal Award Findings and Questioned Costs

1. No matters reported.

D. Major State Project Findings and Questioned Costs

1. No matters reported.

E. Summary Schedule of Prior Audit Findings

1. No Summary Schedule of Prior Audit Findings (see AG Rule 10.656(3)(d)(5)) is required because there are no prior audit findings related to federal programs or state projects.