



HOMELESS COALITION OF HILLSBOROUGH COUNTY, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

HOMELESS COALITION OF HILLSBOROUGH COUNTY, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

TABLE OF CONTENTS

	<u>PAGE</u>
Report of Independent Certified Public Accountants	1
 FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7
 SUPPLEMENTARY INFORMATION AND OTHER REPORTS	
Schedule of Expenditures of Financial Awards	13
Notes to the Schedule of Expenditures of Financial Awards	14
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15
Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and Major State Financial Assistance Project and Internal Control Over Compliance	16
Schedule of Findings and Questioned Costs	18
Summary Schedule of Prior Audit Findings	19
Corrective Action plan	20



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Homeless Coalition of Hillsborough County, Inc.
Tampa, Florida

We have audited the accompanying statement of financial position of the Homeless Coalition of Hillsborough County, Inc. (the Organization) as of June 30, 2011 and the related statement of activities and changes in net assets, statement of functional expenses, and statement of cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with United States generally accepted auditing standards 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Homeless Coalition of Hillsborough County, Inc. as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 16, 2011 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 grants agreements and other matters. The purpose of that report is to describe the scope of our 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 US *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

In accordance with the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, and the requirements described in the Florida Executive Office of the Governor's State Projects Compliance Supplement, that are applicable to each of its major federal awards programs and major state financial assistance projects for the year ended June 30, 2011, we have also issued a report dated September 16, 2011 on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133. That report is an integral part of a compliance audit performed in accordance with the above standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the organization taken as a whole. The accompanying schedule of expenditures of financial awards is presented for purposes of additional analysis as required by *US Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and *Chapter 10.650 Rules of the Auditor General, State of Florida*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Bedwin Associates, PA

Certified Public Accountants
September 16, 2011

HOMELESS COALITION OF HILLSBOROUGH COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2011

ASSETS

CURRENT ASSETS

Cash, operating	\$	255,296
Cash, held for grants and contracts		320,061
Grants and contracts receivable		369,315
Other assets		14,583

Total Current Assets		959,255
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PROPERTY AND EQUIPMENT

Building and land, held for program		554,990
Furniture, fixtures and equipment		170,300

725,290

Accumulated depreciation		(114,032)
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Net property and equipment		611,258
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TOTAL ASSETS	\$	1,570,513
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	88,247
Accrued expenses		5,532
Deferred grants and contract revenue		320,061

Total Current Liabilities		413,840
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NONCURRENT LIABILITIES

Contingent note payable		390,750
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Total Noncurrent Liabilities		390,750
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TOTAL LIABILITIES		804,590
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NET ASSETS

Unrestricted:		
Undesignated		545,415
Investment in property and equipment		220,508

Total Unrestricted Net Assets		765,923
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Temporarily restricted		-
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Permanently restricted		-
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TOTAL NET ASSETS		765,923
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TOTAL LIABILITIES AND NET ASSETS	\$	1,570,513
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Read Report of Independent Certified Public Accountants.
The accompanying notes are an integral part
of these financial statements.

**HOMELESS COALITION OF HILLSBOROUGH COUNTY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011**

Changes in Unrestricted Net Assets:

REVENUES

Grant and contract revenue	\$ 3,548,310
Program services	23,210
Membership dues	14,450
Contributions	14,345
In-kind contributions	41,125
Other income	120

Total Unrestricted Revenues	3,641,560
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EXPENSES

Program Services	3,398,677
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Support Services:

General and administrative	126,874
Fund development	29,745

<i>Total Support Services</i>	156,619
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Total Expenses	3,555,296
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Increase in Unrestricted Net Assets	86,264
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NET ASSETS, beginning of year	679,659
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NET ASSETS, end of year	\$ 765,923
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Read Report of Independent Certified Public Accountants.
The accompanying notes are an integral part
of these financial statements.

HOMELESS COALITION OF HILLSBOROUGH COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Support Services</u>				
	<u>Program Services</u>	<u>General and Admin-istrative</u>	<u>Fund Development</u>	<u>Total Support Services</u>	<u>Total Expenses</u>
Salaries	\$ 405,422	\$ 43,919	\$ 15,338	\$ 59,257	\$ 464,679
Payroll taxes	31,352	3,396	1,186	4,582	35,934
Employee benefits	<u>86,277</u>	<u>9,345</u>	<u>3,264</u>	<u>12,609</u>	<u>98,886</u>
 Total salaries and related expenses	 523,051	 56,660	 19,788	 76,448	 599,499
Direct assistance	1,721,387	-	-	-	1,721,387
Payments to sub-grantee	480,938	-	-	-	480,938
Case management contract services	347,282	-	-	-	347,282
Other program contract services	117,503	-	-	-	117,503
Software contract services	53,264	-	-	-	53,264
Other program services	54,518	-	-	-	54,518
In-kind occupancy expenses	30,094	10,031	-	10,031	40,125
Supplies	4,196	2,797	-	2,797	6,993
Office expenses	36,691	24,460	-	24,460	61,151
Education conferences, training	10,000	1,176	4,000	5,176	15,176
Travel and meetings	-	10,693	5,757	16,450	16,450
Printing	6,847	-	200	200	7,047
Professional fees	<u>2,718</u>	<u>10,870</u>	<u>-</u>	<u>10,870</u>	<u>13,588</u>
 Total expenses before depreciation	 3,388,489	 116,687	 29,745	 146,432	 3,534,921
Depreciation	<u>10,188</u>	<u>10,187</u>	<u>-</u>	<u>10,187</u>	<u>20,375</u>
 Total expenses	 <u>\$ 3,398,677</u>	 <u>\$ 126,874</u>	 <u>\$ 29,745</u>	 <u>\$ 156,619</u>	 <u>\$ 3,555,296</u>

Read Report of Independent certified Public Accountants.
The accompanying notes are an integral part
of these financial statements.

HOMELESS COALITION OF HILLSBOROUGH COUNTY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in Net Assets	\$ <u>86,264</u>
<i>Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:</i>	
Depreciation	20,375
(Increase) decrease in grants and contracts receivable	127,812
(Increase) decrease in other assets	(14,583)
Deferred grant revenue earned	(40,000)
Increase (decrease) in deferred revenue	320,061
Increase (decrease) in accounts payable	(4,901)
Increase (decrease) in accrued expenses	<u>(6,361)</u>
 Total adjustments	 402,403
 Net cash provided (used) by operating activities	 <u>488,667</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Cash payments for building renovations	(147,652)
Cash payments for purchase of equipment	<u>(7,099)</u>
 Net cash provided (used) by investing activities	 <u>(154,751)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds of capital grants	84,393
 Net cash provided (used) by financing activities	 <u>84,393</u>
 Net increase (decrease) in cash and cash equivalents	 418,309
 CASH , beginning of year	 <u>157,048</u>
 CASH , end of year	 <u><u>\$ 575,357</u></u>

Read Report of Independent Certified Public Accountants.
The accompanying notes are an integral part
of these financial statements.

HOMELESS COALITION OF HILLSBOROUGH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE A - DESCRIPTION OF ORGANIZATION

Homeless Coalition of Hillsborough County, Inc. (the Organization) is a 501 (c) (3) organization incorporated on June 6, 2000 and operates as a Florida not-for-profit corporation.

The Organization brings together various entities, agencies, service organizations, and individuals to establish and maintain a concentrated effort to break the cycle of homelessness in Hillsborough County. The Organization is designated by the federal, state and local governments as the lead agency for the homeless continuum of care in Hillsborough County and as such, is responsible for advancing the community developed plans to help our homeless neighbors. The Organization accomplishes this through education to the community about homelessness to dispel myths and stereotypes, and present solutions that work; coordination with providers of homeless services and the community to develop, implement and maintain needed housing and services; and lead through advocacy with governmental entities for policies and funding to positively impact the lives of homeless and near homeless families and individuals.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified 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, including restricted contributions whose restrictions are met in the same reporting period.

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. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

The Organization receives substantially all of its revenue from State and Federal contracts and grants. These contracts and grants are excluded from the definition of contributions in the accounting standards because they carry attributes of exchange transactions, and are therefore recorded as unrestricted net assets in the financial statements.

Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Read Report of Independent Certified Public Accountants.

HOMELESS COALITION OF HILLSBOROUGH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants and Contracts Receivable

Grants and contracts receivable result from services which have been provided pursuant to various local and Federal grants and contracts, but for which reimbursement has not yet been received at June 30, 2010. The Organization does not maintain an allowance for estimated uncollectible accounts as any amounts determined unallowable by the grantor are deducted from revenue upon notification of the disallowance. No material amounts were subsequently disallowed with respect to the amounts recorded at June 30, 2011.

Grant and Contract Revenues

Revenues from State and Federal grants and contracts are recorded based upon terms of the grantor allotment which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred by the Organization or a sub-recipient. Revenues are subject to audit by the grantor and, if the examination results in a disallowance of any expenditure, repayment could be required. For the year ended June 30, 2011, approximately 69% of the Organization's unrestricted revenues are from four funding agencies (20%,17%,17% and 16%).

Deferred Grant and Contract Revenue

Grants and contract amounts received in advance of services provided are recorded by the Organization as deferred grants and contract revenue on the Statement of Financial Position. At June 30, 2011 there was \$320,061 that had not been expended and is recorded as deferred grants and contract revenue.

Property and Equipment

Property and equipment are stated at historical cost and depreciated using the straight line method over the estimated useful lives of each asset -- buildings, 20 - 40 years; leasehold improvements, 3-5 years; and furniture and equipment, 5 - 10 years. Acquisitions of property and equipment in excess of \$500 are capitalized. Depreciation expense for the year ended June 30, 2011 was \$20,375.

At June 30, 2011, building and land held for program has not been placed in service; therefore, no depreciation is recorded for the year ended June 30, 2011.

Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and grants and contracts receivable. The Organization maintains its deposits at two financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 on interest bearing accounts and are fully insured for non-interest bearing accounts. The amounts in excess of the FDIC limit totaled \$156,037 at June 30, 2011. The Organization has not experienced any losses on its deposits.

At June 30, 2010, approximately 78% of grants receivable were from three funding agencies (48% 17% and 13%.) Concentration of credit risk with respect to accounts and grants and contracts receivable is minimized due to the amounts being backed by the government. The Organization has not experienced any losses with respect to its receivables.

Read Report of Independent Certified Public Accountants.

HOMELESS COALITION OF HILLSBOROUGH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value of Financial Instruments

Professional standards require disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash, grants receivable and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

Functional Allocation of Expenses

The costs of providing the various programs have been summarized on a functional basis in the statement of functional expenses. Salaries and other expenses that are associated with a specific program are charged directly to that program. Salaries and other expenses that benefit more than one program are allocated to the various programs based on the relative benefit provided. Administrative and general expenses are allocated to the various programs based on a ratio of the program's total direct costs to the total Organization's direct costs.

Income Tax Status

Income taxes are not provided for in the financial statements since the Organization is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Organization is treated as a public supported organization, and not as a private foundation. Management is not aware of any activities that would jeopardize the Organization's tax exempt status.

The Organization accounts for uncertain tax positions, if any, in accordance with FASB Accounting Standards Codification Section 740. In accordance with these professional standards, the Organization recognizes tax positions only to the extent that Management believes it is "more likely than not" that its tax positions will be sustained upon IRS examination. Management believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements for the year ended June 30, 2011.

The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2011.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for fiscal years ending prior to June 30, 2008.

The Organization's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

Read Report of Independent Certified Public Accountants.

HOMELESS COALITION OF HILLSBOROUGH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE C – DONATED GOODS AND SERVICES

A substantial number of unpaid volunteers have made significant contributions of their time to maintain the Organization's programs. No amounts have been reported in the financial statements for voluntary donation of services because no objective is available to measure the value of such donations. Donated materials or equipment, when received are reflected as contributions in the financial statements at their estimated fair market values at the date of receipt.

The Organization leases office space from the City of Tampa for its operations, under long-term operating leases, for a yearly fee of \$1 until May 2013. The estimated fair value of the leased space is \$40,125 annually and is included in contributions and expenses on the Statement of Activities and Changes in Net Assets.

NOTE D - EMPLOYEE BENEFITS PLAN

The Organization has a tax deferred annuity plan covering substantially all employees. Annually the Organization may make a discretionary contribution at a rate equal to a percentage of each participant's compensation. Participating employees may also elect to contribute a percentage of their compensation. Participants fully vest in their accounts immediately. During the year ended June 30, 2011, the Organization made contributions of \$32,217 to the plan and incurred administrative expenses of \$210 related to the plan.

NOTE E – LEASES

The Organization leases equipment under operating leases expiring in July 2015. The following is a schedule by year of future minimum lease payments required under such operating leases which have initial or remaining non-cancelable lease terms as of June 30, 2011:

<u>Year ended June 30,</u>	<u>Amount</u>
2012	\$ 6,224
2013	6,224
2014	6,224
2015	6,224
2016	518

Expense incurred for leased equipment totaled \$6,224 for the year ended June 30, 2011.

NOTE F - COMMITMENTS AND CONTINGENCIES

Building renovation

The Organization received HOME Investment Partnership Program Grant moneys passed through from the City of Tampa that were expended for the acquisition and renovation of a four unit apartment building to be used in providing affordable housing for low and moderate income households. Pursuant to the Agreement for the HOME Investment Partnership Program Grant, the Organization is contingently liable on a mortgage note payable due June 30, 2023 in the amount of \$262,500 to the City of Tampa, a municipal corporation of the State of Florida, if and only if the Organization fails to provide the services and use of the property as planned for the fifteen (15) year agreement. This includes the sale, mortgaging, lien, refinancing or otherwise transfer of improved property by the Organization prior to the due date.

Read Report of Independent Certified Public Accountants.

HOMELESS COALITION OF HILLSBOROUGH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE F- COMMITMENTS AND CONTINGENCIES (continued)

Building renovation (continued)

The Organization received Community Development Block Grant moneys passed through from the City of Tampa that were expended for the renovation of the same four unit apartment building. Grant agreement is not to exceed \$128,250 of which the Organization expended the remaining balance of \$84,393 during the year ended June 30, 2011. The Organization is contingently liable on a mortgage note payable with the effective date of August 31, 2010, when the full disbursement of the CDBG Award occurred. Payment of the principal of this note is deferred and will not accrue interest while the Organization remains fee simple owner of the property and complies with the terms of that certain CDBG Agreement for the minimum use period of five years. Therefore, the Organization will be released from this indebtedness on August 31, 2015 provided it meets the criteria of the CDBG award.

The Organization received a Homeless Housing Assistance Grant of \$105,000 from the State Office on Homelessness of the Department of Children and Families for improvement to real property on the same four unit apartment building. In accordance with Florida Statutes, the State is granted an interest in the property for this amount for at least five years from the date of completion. Also, the Organization agrees to reserve for a minimum of ten years, to serve persons who are homeless in the renovated property.

Other commitment

The Organization is the recipient of grants funds that are subject to special compliance audits by the granting agency that provide these reimbursements. The results of these audits may result in disallowed expense amounts. Disallowed amounts, if any, would constitute a contingent liability of the Organization. Accordingly, such liabilities are not reflected in the financial statements. The Organization does not believe any contingent liabilities, if any to be material.

NOTE G – MATCHING REQUIREMENTS OF FEDERAL AND STATE GRANTS

The Organization has complied with all matching requirements provided by its Federal and State grants. Accordingly, no match liability exists at June 30, 2011.

NOTE H – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 16, 2011, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION AND OTHER REPORTS

**HOMELESS COALITION OF HILLSBOROUGH COUNTY, INC.
SCHEDULE OF EXPENDITURES OF FINANCIAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

Description	Federal CFDA # State CSFA #	Contract Number	Federal/ State Expenditures	Amount Provided to Subrecipients
<u>GRANTOR/PROGRAM TITLE</u>				
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)				
Supportive Housing Program	14.235	PIN FL25B4H010801 - FL27B4H010801	\$ 69,702	\$ -
Supportive Housing Program	14.235	PIN FL16B4H011002	31,247	-
Supportive Housing Program	14.235	PIN FL27B4H011003	<u>162,652</u>	<u>-</u>
			<u>263,601</u>	<u>-</u>
Veterans Homelessness Prevention Demonstration Program (VHPD)	14.259	PIN FL 1VB4H010900	<u>50,412</u>	<u>-</u>
<i>Passed through Florida Department of Children and Families</i>				
ARRA Homeless Prevention and Rapid Re-Housing	14.257	QFZ1B	<u>599,225</u>	<u>-</u>
<i>Passed through Hillsborough County, Florida</i>				
ARRA Homeless Prevention and Rapid Re-Housing	14.257		<u>589,498</u>	<u>-</u>
<i>Passed through the City of Tampa</i>				
ARRA Homeless Prevention and Rapid Re-Housing	14.257		629,122	-
Community Development Block Program	14.228		84,393	-
Community Development Block Program	14.228	B-09-MC-12-0020	25,878	-
Community Development Block Program	14.228	B-09-MC-12-0020	<u>23,125</u>	<u>-</u>
			<u>762,518</u>	<u>-</u>
<i>Passed through Plant City Housing Authority</i>				
Shelter Care Plus	14.238	PIN FL29C601001	<u>292,991</u>	<u>-</u>
TOTAL FEDERAL ASSISTANCE			\$ 2,558,245	\$ -
<u>STATE ASSISTANCE</u>				
FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES				
Homeless Housing Assistance	60.015	QFZ1J	518,438	480,938
Homeless Grant In Aid Project	60.021	QF1A4	12,347	-
Homeless Challenge Grant	60.014	QFZ1F	<u>100,000</u>	<u>-</u>
TOTAL STATE ASSISTANCE			\$ 630,785	\$ 480,938
<u>LOCAL ASSISTANCE</u>				
HILLSBOROUGH COUNTY Board of County Commissioners			165,816	-
CITY OF TAMPA			55,000	-
OTHER - CONTRACT			<u>222,857</u>	<u>-</u>
TOTAL LOCAL ASSISTANCE			<u>443,673</u>	<u>-</u>
TOTAL FEDERAL, STATE AND LOCAL			\$ 3,632,703	\$ 480,938

Read Report of Independent Certified Public Accountants.

**HOMELESS COALITION OF HILLSBOROUGH COUNTY, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FINANCIAL AWARDS
YEAR ENDED JUNE 30, 2011**

NOTE 1. Basis of presentation

The accompanying schedule of expenditures of financial awards includes the federal and state grant activity of the Homeless Coalition of Hillsborough County, Inc. and is 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 and Chapter 10.650 Rules of the Auditor General, State of Florida*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

Pursuant to OMB Circular A-133 section 310(b) (2) the Organization, as a sub-recipient of federal awards, has provided the name of the pass-through entity and the identifying description and number assigned by the pass-through entity when available from the pass-through entity. Pursuant to OMB Circular A-133 section 310(b) (3) the Organization has provided the total federal awards expended for each individual federal program and the CFDA number or other identifying information when the CFDA information is not available. OMB Circular A-133 does not require the Organization to provide this information, nor a breakdown of amounts awarded by CFDA number if that information is not available from the awarding agency.

NOTE 2. Federal expenditures capitalized

The accompanying schedule of expenditures of financial awards includes the federal grant activity as awarded by the U.S. Department of Housing and Urban Development passed through the City of Tampa, Florida of which \$84,393 is capitalized in the building improvements and \$84,393 as a contingent note payable presented on the Statement of Financial Position.

NOTE 3. Reconciliation of total Federal, State and Local assistance to grant and contract revenue on Statement of Activities and Changes in Net Assets

Grant and contract revenue expended	\$ 3,548,310
Contingent note payable	<u>84,393</u>
 Total Federal, State and Local assistance	 <u>\$ 3,632,703</u>

Read Report of Independent Certified Public Accountants.



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

Board of Directors
Homeless Coalition of Hillsborough County, Inc.
Tampa, Florida

We have audited the financial statements of the Homeless Coalition of Hillsborough County, Inc. (the Organization) as of and for the year ended June 30, 2011 and have issued our report thereon dated September 16, 2011. We conducted our audit in accordance with United States generally accepted auditing standards, 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 the Organization'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 Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, 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. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs items 2011-1 that we consider to be significant deficiencies in internal control over financial reporting. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2011 - 1.

This report is intended solely for the information of the board of directors, management, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads 'Reeder & Associates, PA'.

Certified Public Accountants
September 16, 2011



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR FEDERAL AWARDS PROGRAM AND MAJOR STATE FINANCIAL ASSISTANCE
PROJECT AND INTERNAL CONTROL OVER COMPLIANCE**

Board of Directors
Homeless Coalition of Hillsborough County, Inc.
Tampa, Florida

Compliance

We have audited the compliance of the Homeless Coalition of Hillsborough County, Inc. (the Organization) with the types of compliance requirements described in the *US Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, and the requirements described in the Florida Executive Office of the Governor's State Projects Compliance Supplement, that could have a direct and material effect on each of its major federal awards programs and major state financial assistance projects for the year ended June 30, 2011. The Organization's major federal programs and major state financial assistance projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal awards programs and major state financial assistance projects is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with United States generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.650, *Rules of the Auditor General, State of Florida*. Those standards and OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General, State of Florida 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 direct and material effect on a major federal awards program or major state financial assistance 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. Our audit does not provide a legal determination on the Organization's compliance with those requirements.

In our opinion, the Homeless Coalition of Hillsborough County, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal awards programs and major state financial assistance projects for the year ended June 30, 2011.

Internal Control Over Compliance

The management of the Organization is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grant agreements applicable to federal programs and state financial assistance projects. In planning and performing our audit, we considered the Organization's internal control over compliance with the requirements that could have a direct and material effect on a major federal program or a major state financial assistance project in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing our 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 and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis.

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 of the board of directors, management, and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Reeder + Associates, PA

Certified Public Accountants
September 16, 2011

**HOMELESS COALITION OF HILLSBOROUGH COUNTY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Homeless Coalition of Hillsborough County, Inc. (the Organization).
2. Audit findings relative to the basic financial statements of the Organization are reported in Section B of this schedule.
3. No instances of noncompliance material to the basic financial statements of the Organization were disclosed during the audit of the basic financial statements.
4. There were no significant deficiencies disclosed during the audit of the major federal award programs nor during the audit of the major state financial assistance projects.
5. The auditor's report on compliance for the major federal award programs and the major state financial assistance projects for the Organization expresses an unqualified opinion.
6. The audit disclosed no findings relative to the major federal award programs or the major state financial assistance projects of the Organization.
7. The programs/projects tested as major programs/projects included:

Federal:

US Department of Housing and Urban Development (HUD)		
Passed-through Florida Department of Children and Families		
14.257	ARRA Homeless Prevention and Rapid Re-Housing	\$ 599,225
Passed-through City of Tampa, Florida		
14.257	ARRA Homeless Prevention and Rapid Re-Housing	629,122
Passed-through Hillsborough County, Florida		
14.257	ARRA Homeless Prevention and Rapid Re-Housing	<u>589,498</u>
		<u>\$ 1,817,845</u>

State:

Florida Department of Children and Families		
60.015	Homeless Housing Assistance	\$ 518,438

The threshold for distinguishing Type A and Type B programs/projects was \$300,000 for major federal award programs and state financial assistance projects.

8. The Organization did not qualify as a low-risk auditee pursuant to OMB Circular A-133.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

2011-1

During our procedures we noted the bank reconciliations review process has not been performed during this fiscal period. Internal control is most effective when the bank reconciliation is prepared by someone not responsible for entries in the receipts and disbursements records. Inasmuch as this is difficult because of the small number of office employees, we recommend that the review process be carried out by one of the officers. The bank reconciliation should be signed to note the review process has been completed.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

D. PRIOR YEARS FINDINGS

2010 -1, 2010-2, 2007-01

E. OTHER ISSUES

NONE

**HOMELESS COALITION OF HILLSBOROUGH COUNTY, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2011**

PRIOR YEAR FINDINGS and QUESTIONED COSTS

Finding Number	Prior Audit Finding
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2010-1

Condition: During our procedures we noted the opening balances of various asset, deferred revenue, and net asset accounts did not match the balances reported in the June 30, 2009 audit. The differences ranged from \$500 to \$23,482 and resulted in a \$9,237 decrease in prior period net assets and an overstatement of revenue for the year ended June 30, 2010. We recommend the Organization compare reports generated by its accounting software to the prior year audited financial statements to verify the accuracy of the beginning of the year balances and assist in the detection of errors and discrepancies in a timely manner.

Status of Finding: This finding is corrected

2010-2

Condition : During our procedures we noted expenditures related to Homeless Prevention and Rapid- Re-housing programs that had not been invoiced for cost reimbursement due to a lack of supporting documentation. These expenditures resulted in \$12,000 allowable costs for grant purposes to be taken against the Organizations unrestricted net assets for the year ended June 30, 2010. We recommend that all supporting documentation be accumulated in a timely manner to receive cost reimbursement for allowable program costs.

Status of Finding: This finding is corrected

MAJOR STATE PROJECTS

2007-01	HOMELESS HOUSING ASSISTANCE CSFA No. 60.015 \$400,000 Contract No. QZF55
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Condition: The Organization had not provided the state a security interest, as required by Section 402.73 of the Florida Statutes and the grant contract, in the property for which \$400,000 of state funds was used to renovate a structure to be used for the housing of the homeless.

Auditor's Recommendation: The auditor recommended the Organization perform the required filing to secure the State's interest in the purchase of or improvement in the amount of the state funds provided.

Current Status: Management agrees with the auditors' recommendation but has been unsuccessful in placing any security interest on the property in question. Management has performed due diligence for resolving this issue and currently working with legal assistance and the Office of Homelessness.

**HOMELESS COALITION OF HILLSBOROUGH COUNTY, INC.
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2011**

US Department of Housing and Urban Development:

Homeless Coalition of Hillsborough County, Inc. respectfully submits the following corrective action plan for the year ended June 30, 2011.

Contact person responsible for corrective action:

Rayme Nuckles, Chief Executive Officer
Homeless Coalition of Hillsborough County, Inc.
P.O. Box 360181
Tampa, FL 33673

The findings from the June 30, 2011 Schedule of Findings and Questioned Costs are discussed below. The findings are lettered consistently with the letter assigned in the Schedule of Findings and Questioned Costs.

A. SUMMARY OF AUDIT RESULTS

This section does not include any findings and is therefore not addressed.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2011-1 *Recommendation:* The Organization should ensure that bank reconciliations are reviewed and approved by a person independent of the preparation of the reconciliation.

Action Taken: The Organization concurs with the recommendation and will implement it immediately.

C. FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

D. MAJOR STATE FINANCIAL ASSISTANCE PROJECTS

NONE

E. OTHER ISSUES

NONE

F. PRIOR YEAR FINDINGS

NONE

G. MANAGEMENT LETTER – CHAPTER 10.650, RULES OF THE AUDITOR GENERAL, STATE OF FLORIDA

NONE