

*Financial Statements*

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

**June 30, 2012**

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

**Financial Statements**

**June 30, 2012**

**(With Independent Auditors' Report Thereon)**

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

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# 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, 2012, 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, 2012, 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 13, 2012 on our consideration of Hope and Help Center of Central Florida, Inc.'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 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 conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal, state and local awards 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 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 schedule of expenditures of federal, state and local awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Schaefer, Fischhoff, Whiternut, Mitchell & Shuikan, LLP*

Altamonte Springs, Florida  
September 13, 2012

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

**Statement of Financial Position**

June 30, 2012

**Assets**

Current assets:

Cash and cash equivalents	\$ 476,580
Investments (note 2)	35,302
Grants and awards receivable	277,180
Contributions receivable (note 3)	26,283
Prepaid expenses and deposits	63,002

Total current assets 878,347

Contributions receivable (note 3)	14,557
Property and equipment, net (note 4)	224,482

Total assets \$ 1,117,386

**Liabilities and Net Assets**

Current liabilities:

Accounts payable	\$ 53,544
Accrued expenses	41,130
Deferred revenue	17,970
Accrued salaries and related benefits	186,097

Total current liabilities 298,741

Commitments (note 5)

Net assets:

Unrestricted	777,805
Temporarily restricted (note 6)	40,840

Total net assets 818,645

Total liabilities and net assets \$ 1,117,386

See accompanying notes to financial statements.

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

Statement of Activities

Year ended June 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue, gains or losses, and other support:			
Federal financial assistance	\$ 3,021,780	-	3,021,780
State financial assistance	1,189,657	-	1,189,657
County and city awards	29,940	-	29,940
Project AIDS Care (Medicaid) Services	104,700	-	104,700
Program revenue	2,025	-	2,025
Investment income	927	-	927
Net unrealized losses on investments	(3,605)	-	(3,605)
Other income	153	-	153
Contributions	113,360	20,823	134,183
In-kind contributions	28,800	-	28,800
Special events	703,236	-	703,236
Less: direct benefit costs	(123,173)	-	(123,173)
Net assets released from restrictions	17,200	(17,200)	-
Total revenue, gains or losses, and other support	<u>5,085,000</u>	<u>3,623</u>	<u>5,088,623</u>
Expenses:			
Program services:			
Medical case management and peer support	625,448	-	625,448
Health insurance continuation	2,790,466	-	2,790,466
Prevention	565,662	-	565,662
Pharmacy	154,301	-	154,301
Behavioral health services	508,685	-	508,685
Other client services	6,709	-	6,709
Total program services	<u>4,651,271</u>	<u>-</u>	<u>4,651,271</u>
Supporting services:			
General administration	232,222	-	232,222
Fundraising and development	276,531	-	276,531
Total expenses	<u>5,160,024</u>	<u>-</u>	<u>5,160,024</u>
Increase (decrease) in net assets	(75,024)	3,623	(71,401)
Net assets - beginning of year	<u>852,829</u>	<u>37,217</u>	<u>890,046</u>
Net assets - end of year	<u>\$ 777,805</u>	<u>40,840</u>	<u>818,645</u>

See accompanying notes to financial statements.

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

Statement of Functional Expenses

Year ended June 30, 2012

	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	\$ 537,785	161,682	409,374	123,069	126,406	2,630	1,360,946	213,075	194,807	1,768,828
Advertising	-	-	-	-	-	-	-	-	716	716
Supplies	5,475	3,968	45,665	5,077	6,541	3,469	70,195	8,351	24,087	102,633
Telephone and telecommunications	6,246	351	8,835	667	1,487	5	17,591	8,994	2,071	28,656
Internet connection fees	3,764	850	2,399	1,267	488	-	8,768	1,556	922	11,246
Utilities	-	-	1,729	-	-	-	1,729	11,744	-	13,473
Direct client assistance	-	2,598,586	-	-	-	-	2,598,586	-	-	2,598,586
Bank fees and charges	30	12	2,568	-	-	-	2,610	6,333	11,374	20,317
Books, subscription & memberships	130	-	44	-	-	-	174	25	122	321
Insurance	-	-	111	-	-	-	3,091	16,249	2,851	22,191
Mileage, parking and tolls	8,430	351	6,841	139	2,980	50	23,004	924	456	24,384
Seminars, conferences and meetings	5,501	232	15,097	8	5,985	-	26,823	948	697	28,468
Postage, shipping and delivery	405	2,872	424	493	135	24	4,353	947	2,414	7,714
Equipment rental and maintenance	6,803	7,195	4,600	3,706	401	144	22,849	15,757	1,592	40,198
Minor equipment	60	1,505	-	520	-	-	2,085	1,084	671	3,840
Printing and copying	135	45	180	-	-	-	360	45	6,663	7,068
Repairs and maintenance - facilities	134	15	63	47	-	272	531	11,676	-	12,207
Vehicle repairs	-	-	-	-	484	-	484	-	-	484
Depreciation	-	-	-	-	-	-	-	36,263	-	36,263
Rent, storage, and other occupancy costs	8,802	-	4,200	3,600	2,960	-	19,562	-	-	19,562
Donated facilities	14,400	4,800	-	9,600	-	-	28,800	-	-	28,800
Staff training and development	-	-	-	-	-	-	-	292	219	511
Professional services	-	-	-	-	-	-	-	13,925	-	13,925
Contracted services	-	-	380	-	338,197	-	338,577	175	12,990	351,742
Computer services	1,075	1,378	-	831	-	-	3,284	1,805	3,396	8,485
Indirect costs from general administration	24,650	6,624	62,889	5,011	15,333	115	114,622	(124,449)	9,827	-
Miscellaneous business costs	1,623	-	263	266	95	-	2,247	6,123	656	9,026
Loss on disposal of property and equipment	-	-	-	-	-	-	-	380	-	380
	\$ 625,448	2,790,466	565,662	154,301	508,685	6,709	4,651,271	232,222	276,531	5,160,024

See accompanying notes to financial statements.



HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

**Statement of Cash Flows**

Year ended June 30, 2012

Cash flows from operating activities:	
Cash received from contributions, financial assistance, special events, awards, and other	\$ 4,987,172
Cash paid to employees, vendors, and suppliers	(5,123,159)
Interest and dividends received	927
Net cash used in operating activities	<u>(135,060)</u>
Cash flows from investing activities:	
Acquisition of property and equipment	<u>(10,666)</u>
Net cash used in investing activities	<u>(10,666)</u>
Net decrease in cash	(145,726)
Cash - beginning of year	<u>622,306</u>
Cash - end of year	<u><u>\$ 476,580</u></u>
Reconciliation of change in net assets to net cash provided by operating activities:	
Change in net assets	\$ (71,401)
Adjustments to reconcile change in net assets to cash used in operating activities:	
Depreciation	36,263
Net unrealized losses on investments	3,605
Loss on disposal of property and equipment	380
Changes in:	
Grants and awards receivables	(61,552)
Contributions receivable	(3,623)
Prepaid expenses and deposits	(16,793)
Accounts payable, accrued expenses and accrued salaries and related benefits	(11,785)
Deferred special event support and other deferred revenue	<u>(10,154)</u>
Net cash used in operating activities	<u><u>\$ (135,060)</u></u>

See accompanying notes to financial statements.

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

Notes to Financial Statements

June 30, 2012

(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.

(b) **Basis of Accounting**

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

The Center has adopted the provisions of Financial Accounting Standards Board ASC 958, Accounting for Contributions Received and Contributions Made and Financial Statements for Not-for-Profit Organizations.

These financial statements are prepared on an entity wide basis, focusing on the organization as a whole and present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by aggregating all funds into one set of financial statements and classifying fund balances and transactions into three classes of net assets – permanently restricted, temporarily restricted or unrestricted as follows:

**Permanently restricted net assets** - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Center. There were no permanently restricted net assets as of or for the year ended June 30, 2012.

**Temporarily restricted net assets** - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Center and/or the passage of time (see note 6).

(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 Accounting (Continued)**

**Unrestricted net assets** - Net assets not subject to donor-imposed stipulations. The Center reports donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted support.

Under generally accepted accounting principles, contributions are generally recognized as revenue when the gift is made and are recorded as unrestricted, temporarily restricted or permanently restricted, depending on the presence or absence and type of donor imposed restrictions or conditions.

The Center's resources as presented on the statements of activities and changes in net assets include revenue, gains or losses, and other support. Revenue consists of fees earned for the performance of Center services, public support such as contributions and grants, investment income which consists of dividends, interest and similar payments on assets held as investments, and other revenue or support. Public support such as contributions and grants are unconditional gifts to the Center of cash or other assets in a voluntary nonreciprocal transfer by another entity. Gains or losses from activities that are peripheral or incidental to the Center and are reported net.

Revenues, gains or losses, and other support are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses and losses 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. Donor restricted contributions, whose restrictions are met in the same reporting period, are reported as unrestricted support.

Contributions, including unconditional promises to give, less an allowance for uncollectible accounts, are recognized as revenue in the period made or received. Pledges are recorded as unconditional promises to give and temporarily restricted net assets in the period that notification is received. Pledges are discounted, using a market discount rate, to present value for collections expected in future years. Accretion of the discount in subsequent years is also recorded as contribution revenue. Conditional promises to give are not recognized until they

(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 Accounting (Continued)**

become unconditional, that is, when the conditions on which they depend are substantially met. The Organization also receives indications of intent to support, which are commitments that are open-ended and subject to unilateral change by the donor. The amounts are not measurable since the commitments do not express a term or period. Thus, they are not considered to be unconditional promises to give and are not recognized prior to the receipt of the contribution.

Contributions of assets, materials, and facilities are recorded at their estimated fair value at the date of gift. Such values are recorded in the financial statements as an asset or expense and revenue. In addition, the Center receives contributed time related to various program services. These contributed services are recorded at their estimated fair value at the date of service if they meet the following criteria: (a) the services would have otherwise been purchased by the Center, and (b) the services required specialized skills. Contributed services are recorded in the financial statements as an asset or expense and revenue related to the service. For the year ended June 30, 2012, the Center received no in-kind contributions of assets, materials or services. Donated use of facilities is recognized as expense and revenue and is discussed in detail at note 5.

A substantial number of unpaid volunteers have donated significant amounts of their time to the Organization's program operations, fundraising campaigns, and administrative services. However, due primarily to the nature of the services provided, they have not been reflected in the accompanying financial statements.

(c) **Allowance for Doubtful Accounts**

The Center estimates doubtful accounts based on historical bad debts, factors related to the specific payer's ability to pay, and current economic trends. Receivables are written off when a balance is determined to be uncollectible. No allowance is established at June 30, 2012 as management believes all amounts are collectible.

(Continued)

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

Notes to Financial Statements

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

(d) **Income Taxes**

The Center is exempt from federal income tax under provision of Section 501(c)(3) of the Internal Revenue Code. In addition, the Center has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. Consequently, no provision for income taxes has been included in the accompanying financial statements.

In accordance with "Income Taxes" FASB Accounting Standards Codification Topic 740 (Topic 740), all entities are required to evaluate and disclose income tax risks. Topic 740 clarifies the accounting for uncertainty in tax positions and prescribes guidance related to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the statement of financial position if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the statement of activities. As of June 30, 2012, the Center had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

The Center's income tax returns are subject to review and examination by federal authorities. The Center is not aware of any activities that would jeopardize its tax-exempt status. The Center is not aware of any activities that are subject to tax on unrelated business income, excise or other taxes. The tax returns for the fiscal years ended from 2009 to 2011 are open to examination by federal authorities.

(e) **Concentration of Credit Risk**

The Center maintains its cash and cash equivalents in deposit and money market accounts which may exceed federally insured limits. The Center has not experienced any losses in such accounts and believes it is not exposed to any significant risk related to cash and cash equivalents.

(f) **Investments**

At June 30, 2012 the Center's investment portfolio consisted of marketable equity securities and a mutual fund carried at fair value. The Center derives that 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)**

(g) **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.

(h) **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	7 - 30 years
Equipment and furniture	3 - 7 years
Vehicles	5 years

(i) **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.

(j) **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.

(k) **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.

(Continued)

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

Notes to Financial Statements

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

(l) **Cash and Cash Equivalents**

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

(m) **Fair Value Measurements**

The Center has adopted 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.

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.

(Continued)

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

Notes to Financial Statements

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

(m) **Fair Value Measurements (Continued)**

The Center's financial instruments measured at fair value on a recurring basis subject to the disclosure requirements of Topic 820 at June 30, 2012 were as follows:

	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	<u>Fair Value as of June 30, 2012</u>
Investments	<u>\$ 35,302</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,302</u>

(n) **Fair Value of Financial Instruments**

The Center's financial instruments are cash and cash equivalents, investments, prepaid expenses, deposits, short-term receivables, long-term receivables, accounts payable, accrued expenses, deferred revenue and other liabilities.

The recorded values of cash and cash equivalents, prepaid expenses, deposits, short-term receivables, accounts payable, accrued expenses, deferred revenue, and other liabilities approximate their fair value based on their short-term nature.

The recorded net present value of long-term receivables approximates fair value, as the discount rate approximates market rates.

The recorded value of investments approximates fair value based on quoted market prices (Level 1 inputs) in active market for identical assets or liabilities (see note 2).

(o) **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

(Continued)



HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

Notes to Financial Statements

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

(o) Long-Lived Assets (Continued)

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.

(p) Subsequent Events

In preparing these financial statements, the Center has evaluated subsequent events and transactions for potential recognition and disclosure through September 13, 2012 which is the date the financial statements were available to be issued.

(2) Investments

The following table summarizes the Center's investments at June 30, 2012:

	<u>Cost</u>	<u>Fair Value</u>
Equity securities	\$ 5,812	24,099
Growth and income fund	10,000	11,203
	<u>\$ 15,812</u>	<u>35,302</u>

Investment income and losses as reported in the accompanying statement of activities include net unrealized losses of \$3,605 in 2012 associated with the investments reflected herein.

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

**Notes to Financial Statements**

**(3) Contributions Receivable**

As of June 30, 2012, contributors to the Organization have unconditionally promised to give the following amounts:

Receivable in less than one year	\$ 26,283
Receivable in one to two years	<u>16,640</u>
Total	42,923
Less: allowance for uncollectible accounts	-
Discounts to net present value	<u>(2,083)</u>
Net contributions receivable	<u>\$ 40,840</u>

Unconditional promises to give, receivable in more than one year, are discounted to net present value using an interest rate of 6.0%.

**(4) Property and Equipment**

Property and equipment is comprised of the following at June 30, 2012:

Land	\$ 103,500
Building and improvements	217,377
Equipment and furniture	186,924
Vehicles	<u>85,515</u>
	593,316
Less accumulated depreciation	<u>(368,834)</u>
Property and equipment, net	<u>\$ 224,482</u>

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

Notes to Financial Statements

(5) 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 \$89,000 for the year ended June 30, 2012, which includes approximately \$28,800 of in-kind rental expense. Future minimum payments applicable to long-term non-cancelable leases in excess of one year subsequent to June 30, 2012 are as follows:

<u>Year ending June 30,</u>	
2013	\$ 38,668
2014	25,848
2015	25,848
2016	24,528
2017	3,780

(6) Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2012 are restricted for the following purposes:

Pledges for periods after June 30, 2012	<u>\$ 40,840</u>
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## **SUPPLEMENTARY INFORMATION**

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.  
 Schedule of Expenditures of Federal, State and Local Awards

Year ended June 30, 2012

Grantor/Pass-Through Agency/Program Title	Pass-through Grantor	Period of Award	Federal CFDA No./ State CSEA No.	Contract Number	Amount of Award	Expenditures
U.S. Department of Health and Human Services HIV Emergency Relief Project Grants, under Title XXXVI of the Public Health Service Act, Part A and the Ryan White HIV/AIDS Treatment Extension Act of 2009 Medical Case Management and Psychosocial Support Services Medical Case Management and Psychosocial Support Services Special Health Services Mgr. (Pharmacy Eligibility/Drug Reimbursement) Special Health Services Mgr. (Pharmacy Eligibility/Drug Reimbursement) AUCP - Health Insurance Premiums and Health Insurance Services AUCP - Health Insurance Premiums and Health Insurance Services	(1) (1) (1) (1) (1) (1) (1)	3/1/11 to 2/29/12 3/1/12 to 2/28/13 3/1/11 to 2/29/12 4/1/12 to 2/28/13 3/1/11 to 2/29/12 3/1/12 to 2/28/13	93.914 93.914 93.914 93.914 93.914 93.914	Y10-189A-DG Y10-189A-JDG Y9-159H Y12-101D-DG Y10-118 Y10-118	345,000 534,562 90,000 120,000 544,200 362,658	\$ 287,994 121,608 73,055 29,532 372,705 46,288 933,182
Coordinated Services and Access to Research for Women, Infants, Children, and Youth under Title XXXVI of the Public Health Service Act and as amended by the Ryan White Treatment Extension Act of 2009 Youth Outreach/Hug Me Program	(3)(1)	8/1/10 to 7/31/11	93.153	OA126	62,425	\$ 5,202 5,202
HIV Care Formula Grants, under Title XXXVI of the Public Health Service Act, Part B and the Ryan White HIV/AIDS Treatment Extension Act of 2009 Non-medical Case Management Non-medical Case Management Pharmacy and Health Insurance Premiums AIDS Insurance Continuation Program - Health Insurance Premiums	(3)(2) (3)(2) (6)(2) (3)(4)	4/1/11 to 3/31/12 4/1/12 to 9/30/12 7/1/11 to 6/30/12 7/1/11 to 12/31/12	93.917 93.917 93.917 93.917	CODBV-5 CODBV-5 CODCX-4 2011 - 2012	71,000 35,500 61,654 1,052,440	53,250 17,750 41,476 1,052,440 1,104,916
HIV Prevention Activities - Health Department Based under the Public Health Service Act Expanded Testing Initiative Expanded Testing Initiative	(3) (3)	9/30/10 to 9/29/11 9/30/11 to 9/29/12	93.940 93.940	OA-142 OA-156	75,000 75,000	\$ 18,750 56,250 75,000
Substance Abuse and Mental Health Services Projects of Regional and National Significance under the Children's Health Act of 2000 and the Public Health Service Act, Title V Substance Abuse and Mental Health Services Administration (SAMHSA) Sanford HIV/AIDS Outreach and User Treatment Program - SHOUT Project Sanford HIV/AIDS Outreach and User Treatment Program - SHOUT Project Rapid HIV Counseling, Testing and Linkage Project	- - -	9/30/10 to 9/30/11 9/30/11 to 9/30/12 9/30/11 to 9/29/12	93.243 93.243 93.243	5H797T018901-04 5H797T018901-05 3H797T018901-0551	485,665 485,665 50,000	\$ 121,416 365,322 22,010 508,748
HIV Prevention Activities - Non-Governmental Organization Based under the Public Health Service Act Health Service Act Centers for Disease Control and Prevention Project Start and POL Tents	-	7/1/11 to 6/30/12	93.939	IU 65FS002537-01	335,748	\$ 334,732
Subtotal - U.S. Department of Health and Human Services						\$ 3,021,780
Total Federal Awards						\$ 3,021,780
State of Florida General Revenue Fund AIDS Insurance Continuation Program - Health Insurance Premiums	(4)	7/1/11 to 12/31/12	-	2011 - 2012	1,189,657	\$ 1,189,657
Total State Awards						\$ 1,189,657
Orange County, Florida - Department of Health and Family Services CRP Grant CRP Grant Subtotal - Orange County, Florida	- - -	10/1/10 to 9/30/11 10/1/11 to 9/30/12	- -	Y11-2014 Y12-2014	72,191 72,191	\$ 7,438 22,502 29,940
Total Local Awards						\$ 29,940
<b>Key to Pass-Through Entity Identification:</b>						
(1) Orange County, Florida - Department of Health and Family Services						
(2) Heart of Florida, United Way						
(3) State of Florida Department of Health						(5) Orlando Regional Health Care
(4) Health Council of South Florida, Inc.						(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, 2012

**(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. Federal and 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. Schaffer, 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, 2012, and have issued our report thereon dated September 13, 2012. 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**

Management of Hope and Help Center of Central Florida, Inc. is responsible for establishing and maintaining effective 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 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 combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the organization'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.

## 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, state and local awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Schater, Tschoy, Whitcomb, Mitchell & Shuilen, LLP*

Altamonte Springs, Florida  
September 13, 2012



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 that Could Have a Direct and Material Effect on 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**

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

**Compliance**

We have audited Hope and Help Center of Central Florida, Inc.'s compliance 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 could have a direct and material effect on each of Hope and Help Center of Central Florida, Inc.'s major federal programs and major state projects for the year ended June 30, 2012. Hope and Help Center of Central Florida, Inc.'s major federal programs and major state projects are identified in the summary of auditor's 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 programs and major state projects 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 or major state project 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 could have a direct and material effect on each of its major federal programs and major state projects for the year ended June 30, 2012.

### **Internal Control Over Compliance**

Management of Hope and Help Center of Central Florida, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs and state projects. In planning and performing our audit, we considered Hope and Help Center of Central Florida, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program or major state project 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 and Section 215.97, 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 deficiency in an 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.

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 that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, 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 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.

*Schatz, Tschoff, Whitcomb, Mitchell & Shuilen, LLP*

Altamonte Springs, Florida  
September 13, 2012

**Hope and Help Center of Central Florida, Inc.**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2012**

**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 or material weaknesses were disclosed during the audit of the financial statements and as 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 that Could Have a Direct and Material Effect on 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.
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 all major federal programs and major state projects.
6. There are no 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)).
7. The program tested as a major federal program was the U.S. Department of Health and Human Services' CFDA # 93.917 - HIV Care Formula Grants, under Title XXVI of the Public Health Service Act, Part B and the Ryan White HIV/AIDS Treatment Extension Act of 2009. The program tested as a major state project was the State of Florida General Revenue Fund - AIDS Insurance Continuation Program (AICP) - Health Insurance Premiums.
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.

(Continued)

**Hope and Help Center of Central Florida, Inc.**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 2012**

**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.