

*Financial Statements*

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

**June 30, 2013**

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

**Financial Statements**

**June 30, 2013**

**(With Independent Auditor's Report Thereon)**

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

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## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Hope and Help of Central Florida, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

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

### **Auditor's Responsibility**

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of

the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hope and Help of Central Florida, Inc. as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

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 as required by 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 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated October 1, 2013 on our consideration of Hope and Help 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* in considering Hope and Help of Central Florida, Inc.'s internal control over financial reporting and compliance.

*Schatz, Tschoy, Whitcomb, Mitchell & Shulman, LLP*

Altamonte Springs, Florida  
October 1, 2013

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

**Statement of Financial Position**

June 30, 2013

**Assets**

Current assets:

Cash and cash equivalents	\$ 215,439
Investments (note 2)	32,860
Grants and awards receivable	282,101
Contributions receivable (note 3)	15,020
Prepaid expenses and deposits	52,124

Total current assets 597,544

Contributions receivable (note 3)	1,495
Property and equipment, net (note 4)	224,279

Total assets \$ 823,318

**Liabilities and Net Assets**

Current liabilities:

Accounts payable	\$ 8,163
Accrued expenses	40,645
Deferred revenue	11,009
Refundable advance	79,840
Accrued salaries and related benefits	132,462

Total current liabilities 272,119

Commitments (note 5)

Net assets:

Unrestricted	534,684
Temporarily restricted (note 6)	16,515

Total net assets 551,199

Total liabilities and net assets \$ 823,318

See accompanying notes to financial statements.

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

**Statement of Activities**

Year ended June 30, 2013

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
Revenue, gains or losses, and other support:			
Federal financial assistance	\$ 2,859,893	-	2,859,893
State financial assistance	1,124,556	-	1,124,556
County and city awards	16,835	-	16,835
Project AIDS Care (Medicaid) Services	74,700	-	74,700
Program revenue	2,100	-	2,100
Investment income	466	-	466
Net unrealized gains on investments	11,765	-	11,765
Contributions	94,271	(6,327)	87,944
In-kind contributions	31,500	-	31,500
Special events	625,735	-	625,735
Less: direct benefit costs	(150,396)	-	(150,396)
Net assets released from restrictions	17,998	(17,998)	-
Total revenue, gains or losses, and other support	4,709,423	(24,325)	4,685,098
Expenses:			
Program services:			
Medical case management and peer support	651,249	-	651,249
Non-medical case management	203,681	-	203,681
Health insurance continuation	2,908,947	-	2,908,947
Prevention	577,468	-	577,468
Behavioral health services	125,049	-	125,049
Other client services	8,927	-	8,927
Total program services	4,475,321	-	4,475,321
Supporting services:			
General administration	228,022	-	228,022
Fundraising and development	249,201	-	249,201
Total expenses	4,952,544	-	4,952,544
Increase (decrease) in net assets	(243,121)	(24,325)	(267,446)
Net assets - beginning of year	777,805	40,840	818,645
Net assets - end of year	\$ 534,684	16,515	551,199

See accompanying notes to financial statements.

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

**Statement of Functional Expenses**

Year ended June 30, 2013

	<b>Medical Case Management and Peer Support</b>	<b>Non-Medical Case Management</b>	<b>Health Insurance Continuation</b>	<b>Prevention</b>	<b>Behavioral Health Services</b>	<b>Other Client Services</b>	<b>Total Program Services</b>	<b>General Administration</b>	<b>Fundraising and Development</b>	<b>Total</b>
Personnel costs	\$ 527,931	165,734	164,467	428,369	23,584	5,136	1,315,221	215,022	169,355	1,699,598
Advertising	-	-	-	-	-	-	-	-	1,637	1,637
Supplies	5,546	1,896	3,430	30,543	5,870	2,491	49,776	10,907	25,250	85,933
Telephone and telecommunications	7,743	642	810	9,293	429	20	18,937	11,348	1,399	31,684
Internet connection fees	5,404	1,383	939	3,855	258	2	11,841	2,496	860	15,197
Utilities	192	-	-	930	-	-	1,122	10,899	-	12,021
Direct client assistance	-	-	2,708,779	-	-	-	2,708,779	-	-	2,708,779
Bank fees and charges	-	-	-	-	-	-	-	7,353	9,919	17,272
Books, subscription & memberships	-	-	-	44	-	-	44	-	200	244
Insurance	-	-	-	-	993	-	993	18,235	4,315	23,543
Mileage, parking and tolls	7,185	279	336	7,919	1,781	304	17,804	750	235	18,789
Seminars, conferences and meetings	825	-	-	4,830	4,402	-	10,057	189	766	11,012
Postage, shipping and delivery	213	16	2,923	2,760	205	2	6,119	2,946	3,781	12,846
Equipment rental and maintenance	11,856	5,539	5,250	4,399	22	104	27,170	16,514	1,455	45,139
Minor equipment	1,195	-	1,130	171	-	-	2,496	2,117	1,358	5,971
Printing and copying	-	-	5	-	-	-	5	-	305	310
Repairs and maintenance - facilities	759	28	262	1,091	-	501	2,641	12,982	147	15,770
Vehicle repairs	-	-	-	485	3,061	-	3,546	392	-	3,938
Depreciation	-	-	-	-	-	-	-	38,500	-	38,500
Rent, storage, and other occupancy costs	25,496	5,462	3,516	13,611	1,485	-	49,570	(5,398)	250	44,422
Donated facilities	14,400	9,600	4,800	2,700	-	-	31,500	-	-	31,500
Staff training and education	-	-	-	900	-	-	900	1,221	-	2,121
Professional services	-	-	-	-	-	-	-	15,750	-	15,750
Contracted services	1,265	-	-	140	79,896	-	81,301	1,725	14,990	98,016
Computer services	1,734	907	475	285	-	-	3,401	2,945	-	6,346
Indirect costs from general administration	37,697	11,834	11,746	64,753	3,063	367	129,460	(141,555)	12,095	-
Miscellaneous business costs	1,808	361	79	390	-	-	2,638	2,684	884	6,206
	<u>\$ 651,249</u>	<u>203,681</u>	<u>2,908,947</u>	<u>577,468</u>	<u>125,049</u>	<u>8,927</u>	<u>4,475,321</u>	<u>228,022</u>	<u>249,201</u>	<u>4,952,544</u>

See accompanying notes to financial statements.



HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

**Statement of Cash Flows**

Year ended June 30, 2013

Cash flows from operating activities:	
Cash received from contributions, financial assistance, special events, awards, and other	\$ 4,765,150
Cash paid to employees, vendors, and suppliers	(5,002,667)
Interest and dividends received	466
Net cash used in operating activities	<u>(237,051)</u>
Cash flows from investing activities:	
Acquisition of property and equipment	(38,297)
Proceeds from sales of investments	14,207
Net cash used in investing activities	<u>(24,090)</u>
Net decrease in cash	(261,141)
Cash - beginning of year	<u>476,580</u>
Cash - end of year	<u><u>\$ 215,439</u></u>
Reconciliation of change in net assets to net cash used in operating activities:	
Change in net assets	\$ (267,446)
Adjustments to reconcile change in net assets to cash used in operating activities:	
Depreciation	38,500
Net unrealized gains on investments	(11,765)
Changes in:	
Grants and awards receivables	(4,921)
Contributions receivable	24,325
Prepaid expenses and deposits	10,878
Accounts payable, accrued expenses and accrued salaries and related benefits	(99,501)
Refundable advance	79,840
Deferred special event support and other deferred revenue	(6,961)
Net cash used in operating activities	<u><u>\$ (237,051)</u></u>

See accompanying notes to financial statements.

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

**Notes to Financial Statements**

June 30, 2013

(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, 2013.

**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, 2013, 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, 2013 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. The Center is not aware of any activities that would jeopardize its tax-exempt status or that are subject to tax on unrelated business income, excise or other taxes. 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, 2013, 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. Since the Center’s income tax filings are subject to audit by federal taxing authorities, generally three years after they are filed, the Center is no longer subject to examinations by federal taxing authorities for the years ended before June 30, 2010. In addition, there are currently no pending income tax examinations 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, 2013 the Center’s investment portfolio consisted of marketable equity securities carried at fair value. The Center derives the fair value of its securities based on quoted market prices.

(Continued)

HOPE AND HELP CENTER OF CENTRAL FLORIDA, INC.

**Notes to Financial Statements**

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

(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, 2013 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, 2013</u>
Investments	<u>\$ 32,860</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,860</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, refundable advance and other liabilities.

The recorded values of cash and cash equivalents, prepaid expenses, deposits, short-term receivables, accounts payable, accrued expenses, deferred revenue, refundable advance 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 October 1, 2013 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, 2013:

	<u>Cost</u>	<u>Fair Value</u>
Equity securities	<u>\$ 5,411</u>	<u>32,860</u>

Investment income and losses as reported in the accompanying statement of activities include net unrealized gains of \$11,765 in 2013 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, 2013, contributors to the Organization have unconditionally promised to give the following amounts:

Receivable in less than one year	\$ 21,790
Receivable in one to two years	<u>3,135</u>
Total	24,925
Less: allowance for uncollectible accounts	(8,155)
Discounts to net present value	<u>(255)</u>
Net contributions receivable	<u><u>\$ 16,515</u></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, 2013:

Land	\$ 103,500
Building and improvements	227,189
Equipment and furniture	215,409
Vehicles	<u>85,515</u>
	631,613
Less accumulated depreciation	<u>(407,334)</u>
Property and equipment, net	<u><u>\$ 224,279</u></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 \$121,000 for the year ended June 30, 2013, which includes \$31,500 of in-kind rental expense. Future minimum payments applicable to long-term non-cancelable leases in excess of one year subsequent to June 30, 2013 are as follows:

<u>Year ending June 30,</u>	
2014	\$ 95,010
2015	50,447
2016	30,552
2017	9,762
2018	3,936

**(6) Temporarily Restricted Net Assets**

Temporarily restricted net assets at June 30, 2013 are restricted for the following purposes:

Pledges for periods after June 30, 2013	<u>\$ 16,515</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, 2013

Grantor/Pass-Through Agency/Program Title	Pass-through Grantor	Period of Award	Federal CFDA No./ State CSFA No.	Contract Number	Amount of Award	Expenditures
U.S. Department of Health and Human Services						
HIV Emergency Relief Project Grants, under Title XXVI of the Public Health Service Act, Part A, as amended by the Ryan White HIV/AIDS Treatment Extension Act of 2009						
Medical Case Management and Psychosocial Support Services/Peer Support & Non-Medical Case Management	(1)	3/1/12 to 2/28/13	93.914	Y10-189A-DG	429,000	\$ 272,516
Medical Case Management and Psychosocial Support Services/Peer Support & Non-Medical Case Management	(1)	3/1/13 to 2/28/14	93.914	Y13-143A-DG	800,939	146,808
Special Health Services Mgt. (Drug Reimbursement-Co-Pay)	(1)	4/1/12 to 2/28/13	93.914	Y12-101D-DG	358,979	82,004
Special Health Services Mgt. (Drug Reimbursement-Co-Pay)	(1)	3/1/13 to 2/28/14	93.914	Y13-143A-DG	226,000	504
AICP - Health Insurance Premiums/Health Insurance Services and Third Party Administration	(1)	3/1/12 to 2/28/13	93.914	Y10-118	233,958	181,596
AICP - Health Insurance Premiums/Health Insurance Services and Third Party Administration	(1)	3/1/13 to 2/28/14	93.914	Y13-1026-DG	233,000	72,857
						<u>\$ 756,285</u>
HIV Care Formula Grants, under Title XXVI of the Public Health Service Act, Part B, as amended by the Ryan White HIV/AIDS Treatment Extension Act of 2009						
Non-medical Case Management	(3)(2)	4/1/12 to 9/30/12	93.917	COBVB-5	35,500	\$ 17,750
Non-medical Case Management	(3)(2)	10/1/12 to 3/31/13	93.917	CODGE-5	35,500	35,500
Non-medical Case Management	(3)(2)	4/1/13 to 3/31/14	93.917	CODIF-5	71,000	19,885
AIDS Insurance Continuation Program - Health Insurance Premiums	(3)(4)	7/1/11 to 12/31/12	93.917	2011 - 2012	582,827	582,827
AIDS Insurance Continuation Program - Health Insurance Premiums	(3)(4)	1/1/13 to 9/30/13	93.917	2012 - 2013	800,547	800,547
Pharmacy, Health Insurance Premiums and Administration	(5)(2)	7/1/12 to 9/30/12	93.917	CODCX-4	12,900	12,007
Pharmacy, Health Insurance Premiums and Administration	(5)(2)	10/1/12 to 6/30/13	93.917	CODF-4	38,700	33,196
						<u>\$ 1,501,712</u>
HIV Prevention Activities - Health Department Based under the Public Health Service Act						
Expanded Testing Initiative	(3)	9/30/11 to 12/31/12	93.940	OA-156	93,750	\$ 37,500
Expanded Testing Initiative	(3)	1/1/13 to 12/31/13	93.940	OA-166	75,000	37,500
High Impact Prevention	(3)	1/1/13 to 12/31/13	93.940	CODHG	200,082	76,911
						<u>\$ 151,911</u>
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	-	9/30/11 to 9/30/12	93.243	5H79T1018901-05	485,665	120,419
Rapid HIV Counseling, Testing and Linkage Project in Sanford, Florida	-	9/30/11 to 9/30/12	93.243	3H79T1018901-0551	50,000	10,529
						<u>\$ 130,948</u>
HIV Prevention Activities - Non-Governmental Organization Based under the Public Health Service Act						
Centers for Disease Control and Prevention Project Start and POL Tests	-	7/1/12 to 6/30/13	93.939	5U65PS002537-03	335,113	\$ 319,037
Subtotal - U.S. Department of Health and Human Services						
						<u>\$ 2,859,893</u>
Total Federal Awards						
						<u>\$ 2,859,893</u>
State of Florida General Revenue Fund						
AIDS Insurance Continuation Program - Health Insurance Premiums, Ryan White Part B	(4)	7/1/11 to 12/31/12	-	2011 - 2012	658,815	\$ 658,815
AIDS Insurance Continuation Program - Health Insurance Premiums, Ryan White Part B	(4)	1/1/13 to 9/30/13	-	2012 - 2013	465,741	\$ 465,741
Subtotal - State of Florida						<u>\$ 1,124,556</u>
Total State Awards						
						<u>\$ 1,124,556</u>
Orange County, Florida - Families, Health and Social Services Department, Citizens' Commission for Children Citizens' Review Panel for Human Services Advisory Board (CRP) Grant - Case Management and Peer Monitoring						
	-	10/1/11 to 9/30/12	-	Y12-2014	72,191	\$ 16,835
Total Local Awards						
						<u>\$ 16,835</u>

Key to Pass-Through Entity Identification:

- (1) Orange County, Florida - Families, Health and Social Services Department
- (2) Heart of Florida United Way

- (3) State of Florida Department of Health
- (4) Health Council of South Florida, Inc.

- (5) 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, 2013

**(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.

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## **Independent Auditor's 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 of Central Florida, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Hope and Help of Central Florida, Inc., which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 1, 2013.

### **Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

Altamonte Springs, Florida  
October 1, 2013



# SCHAFFER, TSCHOPP, WHITCOMB, MITCHELL & SHERIDAN, LLP

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## **Independent Auditor's Report on Compliance for Each Major Federal Program and Major State Project and on Internal Control Over Compliance Required by OMB Circular A-133 and the Florida Single Audit Act**

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

### **Report on Compliance for Each Major Federal Program**

We have audited Hope and Help of Central Florida, Inc.'s compliance with the types of compliance requirements described in the 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 of Central Florida, Inc.'s major federal programs and State projects for the year ended June 30, 2013. Hope and Help of Central Florida, Inc.'s major federal programs and State projects are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and State projects.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Hope and Help of Central Florida, Inc.'s major federal programs and State projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 and 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 and State project occurred. An audit includes examining, on test basis, evidence about Hope and Help 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 on compliance for each major federal program and State project. However, our audit does not provide a legal determination of Hope and Help of Central Florida, Inc.'s compliance.

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

In our opinion, Hope and Help of Central Florida, Inc. complied, in all material respects, with the types of requirements referred to above that could have a direct and material effect on each of its major federal programs and State projects for the year ended June 30, 2013.

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

Management of Hope and Help of Central Florida, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Hope and Help of Central Florida, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the Florida Single Audit Act, 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 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 and 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 and State project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program and State project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the Florida Single Audit Act. Accordingly, this report is not suitable for any other purpose.

*Schaefer, Tschoyge, Whittemut, Mitchell & Shuilen, LLP*

Altamonte Springs, Florida

October 1, 2013

**Hope and Help Center of Central Florida, Inc.**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2013**

**A. Summary of the Audit Results**

1. The Auditor's 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 for Each Major Federal Program and Major State Project and on Internal Control Over Compliance Required by 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, 2013**

**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.