



TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

# TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors  
Tampa Hillsborough Homeless Initiative, Inc.  
Tampa, Florida

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

We have audited the accompanying financial statements of the Tampa Hillsborough Homeless Initiative, Inc. (the Organization), which comprise the statement of financial position as of September 30, 2015, and the related statements of activities and changes in net assets, 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 Organization'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 Organization'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 the Tampa Hillsborough Homeless Initiative, Inc. as of September 30, 2015, 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**

### *Other Information*

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 awards as required by Office of Management and Budget Circular A-133, and *Chapter 10.650 Rules of the Auditor General, State of Florida, Audits of States, Local Governments, and Non-Profit Organizations*, 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 our report dated February 10, 2016, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*Reeder & Associates, PA*

Certified Public Accountants  
February 10, 2016

**TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2015**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 439,172
Cash, held for grants	600,000
Grants and contracts receivable	176,689
Accounts receivable - other	1,469
Program inventories	<u>251,330</u>

<b>Total Current Assets</b>	<u>1,468,660</u>
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<b>TOTAL ASSETS</b>	<u>\$ 1,468,660</u>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 71,415
Accrued expenses	12,151
Grants payable	600,000
Deferred grants and contract revenue	<u>300,131</u>

<b>Total Current Liabilities</b>	<u>983,697</u>
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<b>TOTAL LIABILITIES</b>	<u>983,697</u>
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**NET ASSETS**

Unrestricted	452,963
Temporarily restricted	32,000
Permanently restricted	<u>-</u>

<b>Total Net Assets</b>	<u>484,963</u>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,468,660</u>
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Read Report of Independent Certified Public Accountants.  
The accompanying notes are an integral part  
of these financial statements.

**TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**Changes in Unrestricted Net Assets**

**REVENUES**

Federal and state grants	\$ 1,956,391
Other grant and contract revenue	530,906
Other income	26,839
In-kind contributions	<u>133,525</u>

<b>Total Unrestricted Revenues</b>	<u>2,647,661</u>
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**EXPENSES**

Program services	<u>2,270,355</u>
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Support Services:

Management and general	346,713
Fund development	<u>28,517</u>

<i>Total Support Services</i>	<u>375,230</u>
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<b>Total Expenses</b>	2,645,585
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<b>Change in Unrestricted Net Assets</b>	<u>2,076</u>
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**Change in Temporarily Restricted Net Assets**

Contributions	<u>32,000</u>
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<b>INCREASE (DECREASE) IN NET ASSETS</b>	34,076
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<b>NET ASSETS, beginning of period</b>	<u>450,887</u>
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<b>NET ASSETS, end of period</b>	<u><u>\$ 484,963</u></u>
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Read Report of Independent Certified Public Accountants.  
The accompanying notes are an integral part  
of these financial statements.

**TAMPA HILLSBOROUGH INITIATIVE INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Support Services</u>				
	<u>Program Services</u>	<u>General and Admin- istrative</u>	<u>Fund Development</u>	<u>Total Support Services</u>	<u>Total Expenses</u>
Salaries	\$ 345,790	\$ 198,644	\$ 22,000	\$ 220,644	\$ 566,434
Payroll taxes	27,023	15,505	1,772	17,277	44,300
Employee benefits	<u>71,198</u>	<u>40,851</u>	<u>4,669</u>	<u>45,520</u>	<u>116,718</u>
 Total salaries and related expenses	 444,011	 255,000	 28,441	 283,441	 727,452
 Direct assistance to individuals	 795,711	 -	 -	 -	 795,711
Payments to grantee	600,000	-	-	-	600,000
Case management services	135,342	22,115	-	22,115	157,457
Software contract services	122,032	-	-	-	122,032
Other program costs	26,515	-	-	-	26,515
Donated services and facilities	100,144	33,381	-	33,381	133,525
Supplies	4,511	3,008	76	3,084	7,595
Office expenses	19,325	12,883	-	12,883	32,208
Printing/ marketing/ website	-	338	-	338	338
Education conferences, training	19,509	-	-	-	19,509
Travel and meetings	-	6,968	-	6,968	6,968
Professional fees	<u>3,255</u>	<u>13,020</u>	<u>-</u>	<u>13,020</u>	<u>16,275</u>
 Total expenses	 <u>\$ 2,270,355</u>	 <u>\$ 346,713</u>	 <u>\$ 28,517</u>	 <u>\$ 375,230</u>	 <u>\$ 2,645,585</u>

Read Report of Independent Certified Public Accountants.

**TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Decrease in Net Assets	\$ <u>34,076</u>
<i>Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:</i>	
(Increase) decrease in grants and contracts receivable	306,937
(Increase) decrease in program inventories	(251,330)
(Increase) decrease in accounts receivable - other	(1,419)
Increase (decrease) in deferred grants and contract revenue	300,131
Increase (decrease) in grant payable	600,000
Increase (decrease) in accounts payable	(118,497)
Increase (decrease) in accrued expenses	<u>(4,024)</u>
 Total adjustments	 <u>831,798</u>
 <b>Net cash provided (used) by operating activities</b>	 <b><u>865,874</u></b>
 <b>Net increase (decrease) in cash and cash equivalents</b>	 <b>865,874</b>
 <b>CASH AND CASH EQUIVALENTS , beginning of period</b>	 <b><u>173,298</u></b>
 <b>CASH AND CASH EQUIVALENTS , end of year</b>	 <b><u><u>\$ 1,039,172</u></u></b>

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

**TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE A - DESCRIPTION OF ORGANIZATION**

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

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

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

**Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations, including restricted contributions whose restrictions are met in the same reporting period.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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

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

**Estimates**

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

Read Report of Independent Certified Public Accountants.

**TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Cash and Cash Equivalents**

Cash and cash equivalents include cash and money market accounts.

For purposes of the statement of cash flows, cash is defined as unrestricted cash on hand, cash held for grants and amounts in depository accounts at the bank.

**Grants and Contracts Receivable**

Grants and contracts receivable result from services which have been provided pursuant to various local, State and Federal grants and contracts, but for which reimbursement has not yet been received at September 30, 2015. The Organization does not maintain an allowance for estimated uncollectible accounts as any amounts determined unallowable by the grantor are deducted from revenue upon notification of the disallowance.

**Program Inventories**

Program inventories, which consist of furniture and bus passes purchased during the year ended September 30, 2015 are stated at fair market value at the date of purchase. The Organization will distribute the furniture and bus passes in its Operation Reveille and other continuum of care programs.

**Grant and Contract Revenues and Deferred Revenue**

Revenues from Federal, State and local grants and contracts are recorded based upon terms of the grantor allotment which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred by the Organization or a sub-recipient. Revenues are subject to audit by the grantor and, if the examination results in a disallowance of any expenditure, repayment could be required. Deferred revenues in the amount of \$300,131 are reflected in the statement of financial position. Inventories valued at \$251,037 restricted for program that have not been distributed at September 30, 2015 are included in that total.

**Fair Value of Financial Instruments**

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

**Concentration of Credit Risk**

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and grants and contracts receivable. The Organization maintains its deposits at two financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The amounts in excess of the FDIC limit totaled \$633,645 at September 30, 2015. The Organization has not experienced any losses on its deposits.

Read Report of Independent Certified Public Accountants.

**TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Functional Allocation of Expenses**

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

**Donated Services and Facilities**

The Organization records various types of in-kind contributions. Contributed services are recognized at fair market value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of goods and property are recognized at fair market value when received. The Organization recognized contribution revenue for donated services and facilities in the amount of \$133,525 for the year ended September 30, 2015.

A substantial number of unpaid volunteers have made significant contributions of their time to develop and maintain the Organization's programs. No amounts have been reported in the financial statements for voluntary donation of services because no objective basis is available to measure the value of such donations.

**Income Tax Status**

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

The Organization accounts for uncertain tax positions, if any, in accordance with FASB Accounting Standards Codification Section 740. In accordance with these professional standards, the Organization recognizes tax positions only to the extent that Management believes it is "more likely than not" that its tax positions will be sustained upon IRS examination. Management believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements for the year ended September 30, 2015.

The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at September 30, 2015. The Organization's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for fiscal years ending prior to September 30, 2012.

Read Report of Independent Certified Public Accountants.

**TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Income Tax Status (continued)**

**NOTE C – GRANTS PAYABLE**

Grants payable at September 30, 2015 consists of a \$600,000 award to a local nonprofit to provide affordable supportive housing.

**NOTE D - EMPLOYEE BENEFIT PLAN**

The Organization has a tax deferred annuity plan covering substantially all employees. Annually the Organization may make a discretionary contribution at a rate equal to a percentage of each participant's compensation. Participating employees may also elect to contribute a percentage of their compensation. Participants fully vest in their accounts immediately. During the year ended September 30, 2015, the Organization made contributions of \$33,465 to the plan.

**NOTE E – LINE OF CREDIT**

At September 30, 2015 the Organization had a \$150,000 line of credit available to finance its short term borrowing needs. This is a variable rate nondisclosure revolving line of credit due on February 26, 2016. There was no outstanding balance at September 30, 2015.

**NOTE F- COMMITMENTS AND CONTINGENCIES**

**Permanent Supporting Housing Contract**

The Organization is the grantor of funds with a local nonprofit in the amount \$600,000 to provide permanent supportive housing for a minimum of twenty (20), one-bedroom units to house persons that experienced homelessness prior to moving into the units. The agreement was effective October 23, 2015 and shall remain in full force and effective until October 22, 2025. If housing is used for such purposes for more than 5 years, the repayment amount will be reduced by 20 percentage points for each year, beyond the 5 year period in which the project is used for permanent supportive housing with the priority given to those identified as chronically homeless according to HUD's standards.

**Other commitment**

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

**NOTE G - MATCHING REQUIREMENTS OF FEDERAL AND STATE GRANTS**

The Organization has complied with all matching requirements provided by its Federal and State grants. Accordingly, no match liability exists at September 30, 2015.

**NOTE H – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through February 10, 2016 the date the financial statements were available to be issued.

Read Report of Independent Certified Public Accountants.

## **SUPPLEMENTARY INFORMATION AND OTHER REPORTS**

**TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.  
SCHEDULE OF EXPENDITURES OF FINANCIAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

<b>GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE</b>	<b>Federal CFDA # State CSFA #</b>	<b>Pass Through Entity Identifying Number</b>	<b>Expenditures</b>	<b>Amounts Provided to Subrecipients</b>
<b><u>FEDERAL ASSISTANCE</u></b>				
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT Direct Programs</b>				
Continuum of Care Program	14.267		\$ 1,030,745	\$ 157,457
<b>Department of Housing and Urban Development Pass Through Programs From:</b>				
Continuum of Care Program	14.267			
<i>Passed through Plant City Housing Authority</i>		FL0439L4H011302/ FL0438L4H011302	276,937	-
Emergency Solutions Grant Program	14.231	15-0309		
<i>Passed through County of Hillsborough Florida</i>			6,204	-
<b>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT Pass-Through Programs</b>			<u>283,141</u>	<u>-</u>
<b>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<u>1,313,886</u>	<u>157,457</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 1,313,886</u>	<u>\$ 157,457</u>
<b><u>STATE ASSISTANCE</u></b>				
<b>FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY Direct Programs</b>				
Division of Community Development	40.038		\$ 788,542	\$ -
<b>FLORIDA DEPARTMENT OF CHILDREN &amp; FAMILIES Direct Programs</b>				
Coalition Assistance	60.021	QP14C	71,429	-
<b>Florida Department of Children &amp; Families Pass Through Programs From:</b>				
Coalition Assistance	60.021			
<i>Passed through Florida Homeless Coalition</i>			33,571	-
<b>TOTAL FLORIDA DEPARTMENT OF CHILDREN &amp; FAMILIES</b>			<u>105,000</u>	<u>-</u>
<b>Total Expenditures of State Awards</b>			<u>\$ 893,542</u>	<u>\$ -</u>
<b>TOTAL FEDERAL AND STATE ASSISTANCE</b>			<u>\$ 2,207,428</u>	<u>\$ 157,457</u>

Read Report of Independent Certified Public Accountants.

**TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FINANCIAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 1. Basis of presentation**

The accompanying schedule of expenditures of financial awards includes the federal and state grant activity of the Tampa Hillsborough Homeless Initiative, Inc.. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

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

**NOTE 2. Reconciliation of Federal and State Grant Revenue on Statement of Activities and Changes in Net Assets to total Federal and State Assistance**

Federal and state grant revenue	\$ 1,956,391
Program inventories purchased with DEO grant and included in deferred revenue	<u>251,037</u>
Total Federal and State assistance	<u>\$ 2,207,428</u>



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Tampa Hillsborough Homeless Initiative, Inc.  
Tampa, Florida

We have audited, in accordance with the 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 the Tampa Hillsborough Homeless Initiative, Inc. (the Organization), which comprise the statement of financial position as of September 30, 2015, and the related statements of activities and changes in net assets, 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 February 10, 2016.

*Internal Control Over Financial Reporting*

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

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

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

*Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the Organization'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.

*Reeder & Associates, PA*

Certified Public Accountants  
February 10, 2016



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT  
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133*

Board of Directors  
Tampa Hillsborough Homeless Initiative, Inc.  
Tampa, Florida

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

We have audited the Tampa Hillsborough Homeless Initiative, Inc. (the Organization) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the requirements described in the *Department of Financial Services' State Project's Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs and major state projects for the year ended September 30, 2015. The Organization's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650 Rules of the Auditor General, State of Florida. Those standards, *OMB Circular A-133*, and Chapter 10.650 Rules of the Auditor General, State of Florida, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2015.

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

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards and State Projects Required by OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General, State of Florida**

We have audited the financial statements of the Organization as of and for the year ended September 30, 2015, and have issued our report thereon dated February 10, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of financial awards is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General 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 expenditure of financial awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Reeder & Associates, PA*

Certified Public Accountants  
February 10, 2016

**TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2015**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Tampa Hillsborough Homeless Initiative, Inc. (the Organization).
2. There were no significant deficiencies disclosed during the audit of the basic financial statements.
3. No instances of noncompliance material to the basic financial statements of the Organization were disclosed during the audit of the basic financial statements.
4. There were no significant deficiencies disclosed during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs for the Organization expresses an unmodified opinion.
6. There were no audit findings relative to the major federal awards programs of the Organization.
7. The programs tested as major programs/projects included:

**Federal:**

**US Department of Housing and Urban Development**

**Other Programs**

14.267	Continuum of Care Program	\$ 1,307,682
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**State:**

**Florida Department of Economic Opportunity**

40.038	Division of Community Development	\$ 788,542
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The threshold for distinguishing Type A and Type B programs/projects was \$300,000 for federal award programs and \$268,063 for state financial assistance projects.

8. The Organization was determined to be a low-risk auditee pursuant to OMB Circular A-133.

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

NONE

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

NONE

**D. FINDINGS AND QUESTIONED COSTS – MAJOR STATE FINANCIAL ASSISTANCE PROGRAMS**

NONE

**E. OTHER ISSUES**

NONE

**F. PRIOR YEAR FINDINGS**

NONE

**G. MANAGEMENT LETTER (Chapter 10.650, Rules of the Auditor General, State of Florida)**

NO ITEMS REQUIRED TO BE REPORTED

**TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.  
CORRECTIVE ACTION PLAN  
YEAR ENDED SEPTEMBER 30, 2015**

US Department of Housing and Urban Development:

Tampa Hillsborough Homeless Initiative, Inc. respectfully submits the following corrective action plan for the year ended September 30, 2015

**Contact person responsible for corrective action:**

Antoinette Hayes Triplett, Chief Executive Officer  
Tampa Hillsborough Homeless Initiative, Inc.  
601 E. Kennedy Blvd.  
24<sup>th</sup> Floor  
Tampa, FL 33602

The findings from the September 30, 2015 Schedule of Findings and Questioned Costs are discussed below. The findings are lettered consistently with the letter assigned in the Schedule of Findings and Questioned Costs.

**A. SUMMARY OF AUDIT RESULTS**

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

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

NONE

**C. FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

NONE

**D. FINDINGS – MAJOR STATE FINANCIAL ASSISTANCE PROJECTS**

NONE

**E. OTHER ISSUES**

NONE

**F. PRIOR YEAR FINDINGS**

NONE

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

NO ITEMS WERE REPORTED, THEREFORE NOT ADDRESSED